



ROBERT L. SHAFER, MAYOR

June 28, 2023

Reminder: 1% Municipal Sales and Use Tax Effective July 1, 2023

Dear Business Owner:

On November 28, 2022, the City of Summersville adopted a 1% Municipal Sales and Use Tax ordinance effective for imposition July 1, 2023.

This new ordinance will require businesses that already collect and remit the WV state sales and use tax of 6% to collect and remit an additional 1% sales and use tax to the WV State Tax Department. The additional 1% will then be sent from the WV Treasury to the City of Summersville.

More information about municipal sales and use tax is available on the West Virginia Tax Department website

<https://tax.wv.gov/Business/SalesAndUseTax/MunicipalSalesAndUseTax>

We appreciate your cooperation in implementing this change. Questions regarding the Sales and Use Tax should be directed to the WV State Tax Department at 304-558-3333.

A handwritten signature in black ink that reads "Gary Withee". The signature is written in a cursive style.

Gary Withee, Recorder

Who is required to collect Municipal Sales Tax?

All vendors/sellers who are required to collect West Virginia sales tax and who are doing business in a municipality that imposes a sales and use tax must also collect municipal sales taxes, and remit the amount collected to the Tax Division.

This includes vendors located outside the municipality that:

- Have an office, distribution, sales, sample or warehouse location or other place of business in the municipality, either directly or by a subsidiary;
- Have a representative, agent, salesperson, service provider, canvasser or solicitor in municipality – on either a permanent or temporary basis – who operates under the authority of the retailer or its subsidiary for any purpose. For example: taking orders for goods or services, repairing, selling or installing tangible personal property, or leasing tangible personal property, either as lessor or as lessee, in municipality;
- Ship or deliver tangible personal property to locations in municipality; or
- Perform taxable services in municipality.

Municipal sales tax applies to sales made or services performed within municipality boundaries. Nine-digit codes help to determine the taxing area, but do not always correspond exactly with corporate boundaries of the municipality, so part of the numbers in a nine-digit zip code may be outside the municipality's boundaries.

Municipal Use Tax

Municipal use tax applies when you buy items or services for use, storage, distribution or consumption in municipality without paying municipal sales tax to the seller. Use tax is similar to the sales tax and the rates are identical. It is based on the purchase price of taxable purchases.

To avoid double taxation, credit is allowed against municipal use tax for the amount of sales or use tax lawfully paid to another municipality. The credit allowed may not exceed the amount of use tax due the municipality in which the items or services are being used.

Common examples of when use tax is due include, but are not limited to:

- A purchaser buys items outside municipality, the seller does not charge municipal sales tax and the purchaser uses or stores the item in a municipality that does impose a municipal use tax.
- A purchaser buys a taxable item from an out-of-state seller who does not charge municipal sales or use tax.
- A contractor purchases building materials from a seller who does not charge municipal sales tax. The contractor then uses the building materials in a contracting job in a municipality that imposes a use tax.

When to Charge a Municipal Tax

As a general rule, charge municipal sales tax on all sales made in a municipality that imposes a sales tax that are subject to the West Virginia State sales tax.

Charge municipal sales tax to customers from outside the municipality who pick up items in the municipality for business or personal use, even if the items are then taken out of the municipality for use.

Charge municipal sales tax to customers from outside the municipality if you perform taxable services for them in the municipality.

For example, charge municipal sales tax on a repair to a motor vehicle that you perform in the city, even though the motor vehicle is owned by a person who lives outside the municipality.