



## SALES TAX FOR NIGHT CLUBS, BARS, RESTAURANTS AND SIMILAR BUSINESSES

The purpose of this publication is to provide general information regarding the sales tax responsibilities of operators of night clubs, bars, restaurants, and similar businesses. This publication provides general information. It is not a substitute for tax laws or regulations.

### GENERAL INFORMATION

- If you operate one of these businesses, or any combination thereof, and offer for sale prepared food and drinks (both alcoholic and non-alcoholic), live or other recognized forms of entertainment, or similar services in West Virginia, you are generally considered to be a vendor required to collect West Virginia sales tax on each of these sales or services.
- An additional municipal tax may also apply. For a list of municipalities, effective dates and rates, visit our website at:  
<https://tax.wv.gov/Business/SalesAndUseTax/Pages/SalesAndUseTax.aspx>
- All such sales and services are presumed taxable as well as any cover charge, ticket charge or admission charge.
- You must collect sales tax regardless of whether you operate as an individual, a partnership, a corporation or any other entity.

### REPORTING AND RECORDKEEPING

- If any of the above charges include sales tax, that statement must be written on the face of the ticket. If sales of food or other retail sales include the sales tax, a sign of sufficient size to allow a person of normal vision to read it from a distance of twenty (20) feet must be posted in plain view stating that the West Virginia sales tax is included in the sales price.

Sales Tax is Included in the Price of the Products Sold Here

- The method for determining the amount of sales tax to be reported and remitted is to divide the total amount of sales by 1.06, and then multiply that amount by .06. The computation of tax is to be carried to the third decimal place and rounded up to the next whole cent when the third decimal place is greater than four and rounded down to the lower whole cent when the third decimal place is four or less.

EXAMPLE:

*Sales of items with tax included in the price total \$1,000*

$$\frac{\$1000}{1.06} = \$943.396$$

*\$943.396 rounds to \$943.40*

*\$943.40 x .06 = \$56.604*

*\$56.604 rounds to \$56.60*

**Sales tax due= \$56.60**

- As an operator or vendor, you are required to collect, report and remit sales tax on behalf of the State. You must keep accurate records that contain all the information you need to prepare your returns and to verify their accuracy in case you are audited.

### VENDING MACHINE SALES

- Sales from vending machines, except United States Postal Service stamp vending machines, are subject to sales tax. The person who controls the machine i.e., the one who has the key, fills the

machine, etc., is responsible for remitting the sales tax. Persons who do business through money-operated machines are required to maintain accurate records of any commissions or percentages paid in connection with the operation of such machine. See [TSD-405](#) for more information on calculating tax on vending machine sales.

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## **PURCHASES**

- When engaged in business, as outlined elsewhere in this publication, you are considered to be a retailer, and thus, purchases used in the business are subject to sales and service tax except purchases for resale, for which an exemption certificate may be issued.
- Purchases for resale include food and beverages other than wine or liquor, as well as items which are primarily intended to be transferred to the customer as part of the sale. (Example: paper bags, food containers, paper or plastic cups, straws, disposable napkins and plastic forks, knives and spoons). Reusable items such as cloth napkins, ceramic dinnerware and metal silverware are subject to tax.
- Purchases of wine or liquor by private clubs for resale are subject to sales tax.

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## **ASSISTANCE AND ADDITIONAL INFORMATION**

- For assistance or additional information, you may call a Taxpayer Service Representative at:

**1-800-WVA-TAXS  
(1-800-982-8297)**

Or visit our website at:

[www.tax.wv.gov](http://www.tax.wv.gov)

File and pay taxes online at:

<https://mytaxes.wvtax.gov>

Email questions to:

[taxhelp@wv.gov](mailto:taxhelp@wv.gov)