



Sales & Use Tax on Travel Services, Agencies and Agents

This publication provides general information and is not meant to be a substitute for tax laws or regulations.

For West Virginia sales and use tax purposes, travel agents are generally engaged in the activity of providing taxable services. Charges for services provided by travel agencies (such as arranging for motel accommodations, meal accommodations, reservation of rental cars, booking cruises, reserving airline tickets, arranging bus tours or selling passage on tours for their clients) are subject to tax. However, sales of, or charges for, the transportation of passengers in interstate commerce are exempt from the consumers sales and service tax and use tax. This is to be distinguished from charges for intrastate travel which remain taxable unless otherwise exempt. Commissions earned by West Virginia travel agents are taxable unless they are received by the travel agent from an out-of-state vendor.

There are 4 basic types of charges or payments typically received, handled or paid by a travel agent: **(1) Commissions**, **(2) Service fees**, **(3) Vendor charges**, **(4) Purchases of tangible personal property and services**.

1. Commissions - Commissions are paid by vendors of services or amenities to the travel agent, either directly, by retainage of a portion of the customer's payment for the vendor's services, or as a periodic payment based on bookings. Vendors typically paying commissions include, but are not limited to, providers of transportation services, lodging services, food or restaurant services, motor vehicle rental services and local excursion tour services, and exhibition or theatrical companies and amusement parks.

2. Service fees

2.A. Service fees billed to a non-government customer — Service fees paid by the travel agent's customer directly to the travel agent for the travel agent's services.

2.B. Service fees billed directly to government employees — Service fees billed to a government employee as the travel agent's customer that are paid by the government employee directly to the travel agent for the travel agent's services.

2.C. Service fees billed directly to a Government agency — Service fees billed to a government agency as the travel agent's customer that are paid by the government agency directly to the travel agent for the travel agent's services.

3. Vendor Charges

3.A. Vendor charges for non-transportation services and amenities — Charges for services or amenities other than transportation to be provided by vendors of such services and amenities (such as lodging, and food, purchases of event bookings or theater tickets and local motor vehicle rentals). The travel agent typically accepts payment from the customer for these charges, and passes the payment on, in whole or in part, to the vendor. Depending on the contractual arrangement between the vendor and the travel agent, the travel agent may extract a retained commission from such payments before paying the remainder over to the vendor.

3.B. Vendor charges for destination transportation — Charges for interstate and intrastate transportation to a destination (as distinguished from vehicle rental or local "transportation" charges) to be provided by vendors of transportation services such as bus lines, airlines, rail lines or steamship lines.

3.C. Use Tax — If a travel agent purchases or uses property or taxable services from a vendor that fails to collect the applicable West Virginia sales tax or use tax, then the travel agent must pay the use tax directly to the West Virginia Tax Division. The use tax must be paid on the West Virginia Sales and Use Tax return ([Form WV/CST-200CU](#)) and is due on or before the 20th day of the month following the ending of the filing period.

4. Purchases of tangible personal property and services by the travel agent

4.A. Purchases for use in business — Purchases of tangible personal property or services to be used in the business of travel agents that are not purchased for resale.

4.B. Purchases for resale — On occasion a travel agent may undertake a "package tour" where the travel agent purchases travel, food, lodging and entertainment recommendations for resale. The travel agent may assert the sales tax exemption for purchases for resale, but must collect sales tax on the full sales price of the packaged tour when the tour is sold to each of the travel agent's customers.

For more information, you can:

- Call a Taxpayer Services Representative at (304) 558-3333 or toll-free at (800) 982-8297
- Email taxhelp@wv.gov
- Go Online to tax.wv.gov

1. COMMISSIONS

Direct or retainage Commissions paid by a West Virginia vendor - Commissions paid to a travel agent by an West Virginia vendor of transportation, lodging, food or other services, either paid directly or retained out of a customer's payment for such services	Taxable
Direct or retainage Commissions paid by an out-of-state vendor - Commissions paid to a travel agent by an out-of-state vendor of transportation, lodging, food or other services, either paid directly or retained out of a customer's payment for such services	Exempt
Periodic Commissions paid by a West Virginia vendor - Commissions paid periodically to a travel agent by a West Virginia vendor of transportation, lodging, food or other services, based on bookings	Taxable
Periodic Commissions paid by an out-of-state vendor - Commissions paid periodically to a travel agent by an out-of-state vendor of transportation, lodging, food or other services, based on bookings	Exempt

2. SERVICE FEES

Service fees for West Virginia non-government customers - Service fees for travel agent services directly charged to a West Virginia customer	Taxable
Service fees for out-of-state non-government customers - Services fees for travel agent services directly charged to an out-of-state customer	Not Taxable
Service fees payable by government employees in West Virginia - Service fees for travel agent services directly charged to a Federal, State or local government employee out-of-state	Taxable
Service fees payable by government employees out-of-state - Service fees for travel agent services directly charged to a Federal, State or local government employee in West Virginia	Not Taxable
Service fees directly payable by a government agency - Service Fees for travel agent services directly charged to a Federal, State or local government agency	Exempt

3. VENDOR CHARGES

West Virginia vendor's services rendered in West Virginia - Charges for services of an in-state vendor of lodging, food, rental vehicles or other services or amenities which are rendered in West Virginia	Taxable
West Virginia vendor's services rendered outside of West Virginia - Charges for services of an in-state vendor of lodging, food, rental vehicles or other services or amenities which are rendered wholly outside of West Virginia	Not Taxable
Out-of-state vendor's services rendered outside of West Virginia - Charges for services of an out-of-state vendor of lodging, food, rental vehicles or other services or amenities which are rendered wholly outside of West Virginia	Not Taxable
"Out-of-state" vendor's services rendered in West Virginia - Charges for services of a purported "out-of-state" vendor of lodging, food, rental vehicles or other services or amenities which are rendered in West Virginia are taxable. Note that any vendor rendering services in West Virginia would typically be classified as a West Virginia vendor by reason of the nexus established by the activity of rendering services in West Virginia, notwithstanding that vendor's out-of-state origins or affiliations.	Taxable
Vendor charges for Transportation in West Virginia - Charges for intrastate transportation	Taxable
Vendor charges for Transportation to or from an out-of-state location - Charges for interstate transportation	Exempt

4. PURCHASES OF TANGIBLE PERSONAL PROPERTY AND SERVICES BY THE TRAVEL AGENT

Purchases of tangible personal property or taxable services for use in the travel agent's business	Taxable
Purchases of tangible personal property or services for resale	Exempt