



Sales And Use Tax And Doctors

For sales and use tax purposes, doctors are generally engaged in a single business activity - they provide professional medical services. However, if doctors sell tangible personal property, they may be required to collect sales tax from their patients. This publication provides general information concerning West Virginia sales and use tax as it applies to the business activities of doctors. It is not a substitute for tax laws or regulations.

Sales by Doctors

When doctors provide medical services, they are engaged in a professional service activity and are not required to collect sales tax from their patients. This exemption from the collection of sales tax applies to fees charged for medical examinations and treatments and includes charges for drugs, supplies and materials which are used in providing the professional medical service. However, if doctors sell non-prescription medications, other than dietary supplements, and other products and supplies over the counter, they must collect the sales tax from their patients and remit the tax collected to the West Virginia State Tax Department.

Sales of dietary supplements are not subject to tax. To be a "dietary supplement" the product must meet all four requirements:

- (1) It is intended to supplement the diet;
- (2) It contains one or more of the following ingredients:
 - (a) A vitamin,
 - (b) A mineral,
 - (c) An herb or other botanical,
 - (d) An amino acid,
 - (e) A dietary substance for use by humans to increase the total dietary intake,
 - (f) A concentrate, metabolite, constituent, extract or a combination of any of the above ingredients;
- (3) And is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or, if not intended for ingestion in the above form, is not represented as a conventional food and is not represented for use as a sole item of a meal or of the diet; and
- (4) Is required to be labeled as a dietary supplement, identifiable by the "Supplemental Facts" box found on the label and as required under 21 CFR 101.36.

Purchases by Doctors

The purchase by doctors or other health care providers of drugs, durable medical equipment, mobility enhancing equipment and prosthetic devices to be dispensed upon prescription and intended for use in the diagnosis, cure, mitigation, treatment, or prevention of injury or disease is exempt from the consumers sales and use tax. See TSD-425 for more information on this tax exemption.

Doctors must pay sales or use tax when they make purchases of non-exempt equipment, supplies, materials, and other products which will be used or consumed in providing professional medical services.

Use Tax

Doctors who make taxable purchases from suppliers (including out-of-state suppliers) who do not collect West Virginia sales or use tax must pay the use tax directly to the Tax Department . The use tax must be paid monthly on the West Virginia Sales and Use Tax Return (Form WV/CST-200CU). Doctors which do not have a sales and use tax account should contact the Tax Department to establish the proper account. When a sales and use tax account is established, the Tax Department will automatically provide a use tax form prior to the due date of the return.

West Virginia State Tax Department
Compliance and Taxpayer Services Division
P. O. Box 3784
Charleston, West Virginia 25337-3784
Telephone: 304-558-3333
Tollfree: 1-800-WVA-TAXS 1-800-982-8297
Visit our website: <http://www.wvtax.gov>
TDD service for the hearing impaired: 1-800-2TAXTDD 1-800-282-9833