



Pharmacies And Sales Tax

The purpose of this publication is to provide general information regarding the sales tax responsibilities of pharmacies. These are not a substitute, however, for legislative regulations or tax laws.

Sales

Pharmacies generally sell health and beauty aids, household goods, and prescription drugs. Sales tax should be collected on the sale of all these items with three exceptions. First, the sales of drugs, durable medical goods, mobility-enhancing equipment and prosthetic devices dispensed upon prescription and sales of insulin to consumers for medical purposes. W. Va. Code §11-15-9(a). Second, sales of “dietary supplements” are exempt if the dietary supplement meets 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.

Third, the purchase by a health care provider 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 are also exempt from the consumers sales and use tax.

See TSD-425 for more complete information on this sales and use tax exemption.

Accurate records of taxable and nontaxable sales must be maintained in order to verify the accuracy of filed returns upon audit.

Purchases

Pharmacies are retailers. Thus, purchases of equipment, supplies, or other items for use in the business are subject to sales tax, except for purchases for resale. In order to purchase items for resale exempt from sales tax, the pharmacy owner must present an exemption certificate (Form F0003) to the vendor.

Pharmacies that make taxable purchases from vendors (including out-of-state vendors) who do not collect West Virginia sales or use tax must pay the sales and use tax due directly to the Tax Department. The sales and use tax must be paid monthly on a sales and use tax return (Form WV/CST 200CU). Pharmacies which do not have a sales and use tax account should contact the Tax Department to establish the proper account.

You may call a Taxpayer Service Representative between 8:00 a.m. and 5:00 p.m. on business days:

1-800-WVA-TAXS

(1-800-982-8297)

TDD (hearing impaired)

1-800-282-9833

Internet: www.wvtax.gov