



Sales Tax for Pharmacies, Prescription Drugs, Mobility Enhancing Equipment, and Prosthetics

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

Pharmacies generally sell prescription drugs, health and beauty products, household items and other tangible personal property. Sales tax should be collected on the sale of all these items with three exceptions.

Sales Exceptions

1. Sales of drugs, durable medical goods, mobility-enhancing equipment and prosthetic devices sold by prescription as well as sales of insulin to consumers for medical purposes.
2. Sales of “dietary supplements” if the dietary supplement meets all four of the following requirements:
 - i. Intended to supplement the diet;
 - ii. Contains one or more of the following ingredients:
 - a. A vitamin;
 - b. A mineral;
 - c. An herb or other botanical;
 - d. A dietary substance for use by humans to increase the total dietary intake;
 - e. A concentrate, metabolite, constituent, extract or a combination of any of the above ingredients.
 - iii. Intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or, if not intended for ingestion in these forms, is not represented as a conventional food or as a sole item of a meal or a diet; and
 - iv. Required to be labeled as a dietary supplement, identifiable by the “Supplemental Facts” box found on the label and as required by federal regulations.

**Complete records of taxable and nontaxable sales must be
maintained in order to verify the accuracy of filed returns in an audit.**

Pharmacy Business Purchases

Pharmacies are retailers. 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 can 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 and use tax must pay the sales and use tax direct to the West Virginia Tax Division. The sales and use tax is paid monthly on a using [Form WV/CST 200CU](#). Pharmacies who do not have a sales and use tax account should contact Taxpayer Services to establish the proper account.

Pharmacies are not inherently required to have a drug paraphernalia license. If you think you may be selling drug paraphernalia, please review [TSD 451](#) and contact a Taxpayer Service Representative to learn more about what may be required for your business.

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

Purchases of Drugs, Durable Medical Equipment, Mobility Enhancing Equipment and Prosthetics

By Individuals

The purchase of drugs, durable medical equipment, mobility enhancing equipment and prosthetics when purchased by an individual is exempt from West Virginia Sales and Use Tax when it is:

- Prescription drugs or equipment for medical purposes.
- Prescription medical equipment intended for use in the diagnosis, cure, mitigation, treatment or prevention of injury or disease that is used exclusively by the purchaser or another individual, and predominantly in his or her home environment.
- Purchases and installation of mobility enhancing equipment in vehicles for the use by a person with physical disabilities.

By Healthcare Providers

The purchase of drugs, durable medical equipment, mobility enhancing equipment and prosthetic devices by healthcare providers is per se exempt from West Virginia Sales and Use Tax when it is:

- (1) Purchases of prescribed drugs, mobility enhancing equipment and prosthetic devices, or durable medical equipment dispensed pursuant to prescription; **and**
- (2) Intended for the use in the diagnosis, cure, mitigation, treatment, or prevention of injury or disease.

Generally, the normal documentation of the transaction is sufficient proof of the exemption and no exemption certificate is needed.

“Health care provider” means any person licensed to prescribe drugs, durable medical equipment, mobility enhancing equipment and prosthetic devices intended for use in the diagnosis, cure, mitigation, treatment or prevention of injury or disease. “Health care provider” includes any hospital, medical clinic, nursing home or provider of inpatient hospital services and any provider of outpatient services, physician services, nursing services, ambulance services, surgical services or veterinary services.

“Prosthetic device” means a replacement, corrective, or supportive device, including repair and replacement parts for the device, worn on or in the body, to:

- Artificially replace a missing portion of the body;
- Prevent or correct physical deformity or malfunction of the body; or
- Support a weak or deformed portion of the body.

“Drug” means a compound, substance or preparation, and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements, or alcoholic beverages:

- Recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;
- Intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease; or
- Intended to affect the structure or any function of the body.

Drug samples are not taxed if given by a pharmaceutical manufacturer to physicians to be dispensed upon prescription for use in the diagnosis, cure, mitigation, treatment or prevention of injury or disease. Purchases of non-prescription drugs and other over-the-counter healthcare items are subject to sales tax.

“Durable medical equipment” means equipment, including repair and replacement parts for the equipment which:

- Can withstand repeated use;
- Is primarily and customarily used to serve a medical purpose; and/or
- Generally, is not useful to a person in the absence of illness or injury; and is not worn in or on the body.

Durable medical equipment does not include “mobility-enhancing equipment.”

“Mobility-enhancing equipment” means equipment, including repair and replacement parts for the equipment which:

- Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle;
- Is not generally used by persons with normal mobility; and
- Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer. However, the sale and installation of mobility-enhancing equipment in a new or used motor vehicle for the use of a person with physical disabilities are exempt from West Virginia Sales and Use Tax; additionally, the sale and installation for the repair or replacement parts of mobility-enhancing equipment are exempt.

Mobility-enhancing equipment does not include “durable medical equipment.”