



STATE OF WEST VIRGINIA

Department of Revenue

State Tax Department

Joe Manchin III
Governor

Christopher G. Morris
State Tax Commissioner

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DEPARTMENT OF STATE

ADMINISTRATIVE NOTICE 2008 - 18

Energy Star Products Sales Tax Holiday.

Beginning on September 1, 2008 and ending on September 7, 2008, inclusive, there will be a West Virginia State sales tax holiday on purchases, for noncommercial home or personal use, of products that carry the Energy Star label, that have a per item cost of less than \$2,500.

Energy Star products qualified for the sales tax holiday are products that meet the energy efficient guidelines set by the United States Environmental Protection Agency and the United States Department of Energy that are authorized to carry the Energy Star label. Covered products are listed at www.energystar.gov.

Purchases of Energy Star products having a per item cost of less than \$2,500 by noncommercial consumers, and by construction contractors for installation into a residential dwelling for noncommercial use, are qualified for the exemption.

Shipping

Shipping and handling charges separately stated on the bill or purchase invoice for Energy Star products, or on a separate bill or invoice, are taxable. However separately stated shipping and handling charges on Energy Star products are not added to the selling price in calculating the per item cost of the Energy star product for purposes of determining the \$2,500 maximum.

Example: The price of a Energy Star qualified refrigerator purchased during the Holiday is \$2,475 and the separately stated delivery charge is \$50, for a total of \$2,525. Tax must be collected on the \$50, resulting in a total purchase price of \$2,528. However the per item cost of the Energy Star product is \$2,475 for purposes of determining whether the \$2,500 maximum allowable per item cost has been exceeded.

Shipping and handling charges on Energy Star products that are not separately stated are not taxable and will be added to the selling price of the Energy Star product in calculating the per item cost of the Energy star product for purposes of determining the \$2,500 maximum.

Example: The price of a Energy Star qualified refrigerator purchased during the Holiday is \$2,475 and the delivery charge in the amount of \$50 is not separately

stated, for a total of \$2,525. Tax must be collected on the entire \$2,525. The per item cost of the Energy Star product is \$2,525. This is above the Energy Star sales tax holiday maximum allowable per item cost of \$2,500, so the entire purchase is taxable.

Installation

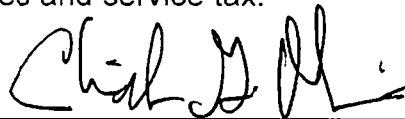
Installation charges separately stated on the bill or purchase invoice for an Energy Star product, or separately stated on a separate bill or invoice, where the installation is provided or arranged by the vendor are taxable. However separately stated installation charges for installation of Energy Star products are not added to the selling price in calculating the per item cost of the Energy star product for purposes of determining whether the \$2,500 maximum allowable per item cost has been exceeded

Example: If a \$2,475 Energy Star refrigerator, requires plumbing for an ice maker and the separately stated charge for installation is \$50. Tax must be collected on the \$50, resulting in a total purchase price of \$2,528. However the per item cost of the Energy Star product is \$2,475 for purposes of determining whether the \$2,500 maximum allowable per item cost has been exceeded.

Charges for installation of an Energy Star product that are not separately stated on the bill or purchase invoice, where the installation is provided or arranged by the vendor, are not taxable. However the charges for installation of Energy Star products will be added to the selling price in calculating the per item cost of the Energy star product for purposes of determining whether the \$2,500 maximum allowable per item cost has been exceeded

Example: If a \$2,475 Energy Star refrigerator, requires plumbing for an ice maker and the charge, not separately stated on the bill or purchase invoice, for installation is \$50. Tax must be collected on the entire \$2,525. The per item cost of the Energy Star product is \$2,525. This is above the Energy Star sales tax holiday maximum allowable per item cost of \$2,500, so the entire purchase is taxable.

Except where an installation of an Energy Star product is the result of a construction contract treated as such for purposes of the West Virginia consumers sales and service tax, charges for installation of an Energy Star product where installation is not provided or arranged by the vendor, are taxable and will not affect the calculation of the per item cost of the Energy star product for purposes of determining whether the \$2,500 maximum allowable per item cost has been exceeded. Construction contracting is not subject to the West Virginia consumers sales and service tax.



Christopher G. Morris
State Tax Commissioner
April 28, 2008