



STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

Joe Manchin III  
Governor

Craig A. Griffith  
Acting Tax Commissioner

ADMINISTRATIVE NOTICE 2010-20

Subject: Energy Star® Products Sales Tax Holiday.

Beginning on September 1, 2010 and ending on November 30, 2010 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 \$5,000.**

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](http://www.energystar.gov).

Purchases of Energy Star products having a per item cost of less than \$5,000 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 \$5,000 maximum.

Example: The price of an Energy Star® qualified refrigerator purchased during the holiday is \$4,975. The charge for delivery is \$50, and is separately stated on the bill or purchase invoice, resulting in a total of \$5,025. Tax at the rate of 6% must be collected on the \$50 delivery charge, resulting in a total purchase price of \$5,028. However, because the delivery price is separately stated, the \$50 delivery charge is not added to the purchase price of \$4,975 in calculating the per item cost of the Energy Star® product.

The per item cost of the refrigerator is \$4,975, and is within the Energy Star® sales tax holiday maximum allowable per item cost of \$5,000. Only the delivery charge is taxable.

**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 \$5,000 maximum.

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**Example:** The price of an Energy Star<sup>®</sup> qualified refrigerator purchased during the holiday is \$4,975. The charge for delivery is \$50 and is not separately stated on the bill or purchase invoice, resulting in a total of \$5,025. Because the delivery charge is not separately stated, the \$50 delivery charge is added to the purchase price of \$4,975 in calculating the per item cost of the Energy Star<sup>®</sup> product. The per item cost of the refrigerator is \$5,025. This is above the Energy Star<sup>®</sup> sales tax holiday maximum allowable per item cost of \$5,000, so the entire purchase is taxable.

### **Installation**

***Installation charges separately stated*** on the bill or purchase invoice for Energy Star<sup>®</sup> products, or on a separate bill or invoice, ***are taxable***. However separately stated installation charges on Energy Star<sup>®</sup> products are ***not added to the selling price*** in calculating the per item cost of the Energy Star<sup>®</sup> product for purposes of determining the \$5,000 maximum.

**Example:** The price of an Energy Star<sup>®</sup> qualified refrigerator purchased during the holiday is \$4,975, and requires plumbing for an ice maker. The charge for installing the ice maker is \$50, and is separately stated on the bill or purchase invoice, resulting in a total of \$5,025. Tax at the rate of 6% must be collected on the \$50 installation charge, resulting in a total purchase price of \$5,028. However, because the installation charge is separately stated, the \$50 installation charge is not added to the purchase price of \$4,975 in calculating the per item cost of the Energy Star<sup>®</sup> product. The per item cost of the refrigerator is \$4,975, and is within the Energy Star<sup>®</sup> sales tax holiday maximum allowable per item cost of \$5,000. Only the installation charge is taxable.

***Charges for installation*** of an Energy Star<sup>®</sup> 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<sup>®</sup> products ***will be added to the selling price*** in calculating the per item cost of the Energy Star<sup>®</sup> product for purposes of determining whether the \$5,000 maximum allowable per item cost has been exceeded.

**Example:** The price of an Energy Star<sup>®</sup> qualified refrigerator purchased during the holiday is \$4,975, and requires plumbing for an ice maker. The charge for installing the ice maker is \$50, and is not separately stated on the bill or purchase invoice, resulting in a total of \$5,025. Because the installation charge is not separately stated, the \$50 installation charge is added to the purchase price of \$4,975 in calculating the per item cost of the Energy Star<sup>®</sup> product. The per item cost of the refrigerator is \$5,025. This is above the Energy Star<sup>®</sup> sales tax holiday maximum allowable per item cost of \$5,000, so the entire purchase is taxable.

Except where an installation of an Energy Star<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> product for purposes of determining whether the

\$5,000 maximum allowable per item cost has been exceeded. Construction contracting is not subject to the West Virginia consumers sales and service tax.

Issued: June 22, 2010

  
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Craig A. Griffith  
Acting State Tax Commissioner

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