

HARPERS FERRY 1% MUNICIPAL SALES TAX Information on Collection and Remittance Beginning July 1, 2016

The Corporation of Harpers Ferry applied for and won Home Rule in West Virginia in 2015. As part of the application, Harpers Ferry indicated its desire to charge a 1% sales tax. This request was approved. The effective date of this new local tax is July 1, 2016. It is a 1% tax on sales made and services rendered within the Corporation of Harpers Ferry.

Who must collect this local tax?

All vendors / sellers who are required to collect West Virginia sales tax and are doing business in the Corporation of Harpers Ferry.

When should this local tax be charged?

- As a general rule, charge local sales tax on all sales made and services rendered in the local taxing area that are subject to the West Virginia state sales tax.
- Charge local sales tax to customers from outside the town who pick up items in the local area for business or personal use, even if the items are taken out of the local area.
- Charge local sales tax to customers from outside the local area if you perform taxable services in the local area. For example, charge local tax if you repair a roof in an area with a local tax.

Other examples may be found online at <http://tax.wv.gov/Business/SalesAndUseTax/Pages/>. This site also includes a short list of exemptions to the local tax.

How do I calculate the amount of tax to charge for a sale or service?

Charge 6% for state tax and 1% for the municipal tax. Due to the roundoff for each tax applied, applying each tax separately will more accurately match the way the way the State of West Virginia will collect the tax when the vendor / seller files monthly or quarterly taxes.

If someone makes a tax exempt purchase, and presents a state sales and use tax exemption form, is that purchase also exempt from the local sales tax?

Yes! The local sales tax mirrors the state sales tax in all respects, so any sale exempt from state sales tax is also exempt from the Harpers Ferry sales tax. Since all the tax collections are handled at the state level, a state sales tax exemption form also covers Harpers Ferry. There is no need to collect two exemption forms from a customer.

How do I remit the local tax I collect?

The State of West Virginia collects the 1% sales tax along with the State's 6% sales tax in a single payment on the same monthly or quarterly tax remittance schedule a vendor / seller currently uses. The West Virginia Sales and Use Tax Return (Form WV/CST-200CU) includes a section to report municipal sales tax. The State Tax Department keeps 0.5% of the municipal sales tax it receives to cover its handling costs and forwards the remainder to the Corporation of Harpers Ferry.