

Instructions – West Virginia Sales & Use Tax Return (WV/CST-200CU)

West Virginia State Tax Department
(Rev. October 9, 2013)

General Instructions

WV/CST-200CU is used to report or amend state and municipal sales and use taxes in West Virginia on tangible personal property, custom software, taxable services, wine and liquor to private clubs and exempt sales.

Anyone who collects and remits sales and use tax – including all vendors, all direct pay permit holders, contractors and direct use contractors - must file a WV/CST-200CU. This form is not used for the special district excise tax.

The completed form and remittance of the sales and use tax is due on or before the 20th of each month for the prior month except:

- If the average monthly remittance is no greater than \$250, then the form and remittance are due quarterly on the 20th day following the end of each quarter; or
- If the annual aggregate is \$600 or less, an annual return and payment are due on or before 20 days after the taxable year.

The form must be filed when due even if the taxpayer has no tax to report.

The West Virginia Tax Department encourages all taxpayers to file and pay electronically. Taxpayers paying more than \$50,000 in the prior tax year are required to file and pay electronically. On January 1, 2014, the threshold decreases to \$25,000 and on January 1, 2015, the threshold decreases to \$10,000.

To file or pay online go to www.wvtax.gov and click on E-services or MyTaxes. You may also go directly to MyTaxes.wvtax.gov.

Both Automated Clearing House (ACH) credit and ACH debit payments are accepted. ACH credits are initiated by the taxpayer through their financial institution. ACH debits are initiated by the Tax Department based on information provided to the Department by the taxpayer through on-line filing applications at MyTaxes or pay-by-phone automated tax payments system available at 1-800-422-2075.

Paper returns and payments by check are mailed to:

West Virginia State Tax Department
Tax Account Administration Division
P. O. Box 1826
Charleston, WV 25327-1826

All filers must keep a copy of returns, attachments and supporting documents for at least three years after the tax is paid or due, whichever is later.

For tax information or assistance call:
(304) 558-3333 or 1-800-982-8297

Monday – Friday: 8:00 a.m. – 5:00 p.m. EST
Or visit our website at
www.wvtax.gov

Completing the West Virginia Sales and Use Tax Return (“The Return”)

Paper filers: Your return will be electronically scanned. Use only **BLACK** ink and send the original return only. Do not send a photocopy.

Please print your numbers like this:

0 1 2 3 4 5 6 7 8 9

Do not use: \emptyset 7

If you do not have a tax account number assigned by the Tax Department, use your federal employer identification number (FEIN) or social security number. Fill in your legal and business names, address and period covered by the return.

For returning filers, verify that the tax account number, name, address and reporting period entered are correct. To change or update your information use form BRT-801A, “Reissuance of Business Registration Certificate” found at www.wvtax.gov.

Check “Amended” if filing an amended return. Make sure to include form WV/CST-AF-2 or form WV/CST-240.

If you have no entry for a line, leave the line blank except on the first page. If you have no tax

to report on this return, enter a "0" on lines 4, 7 and 15 like this:

4. \$ _____ 0 _____

If you have tax to report, page one will be filled in after completing Schedule A and, if applicable, Schedules B and C.

Schedule A. State Sales and Use Tax

Sales of wine and liquor are reported in Part II.

If you have a Direct Pay Permit and have collected no sales tax in this reporting period, begin with Schedule A, Part III.

Part I. State Sales Tax

Line 1. Total sales. Enter the total amount of all sales. Do not include the sales tax collected; do not reduce the amount on this line for sales returns and allowances; and do not include sales of wine and liquor to private clubs. Do include sales of soft drinks, prepared foods and vending machine sales.

Line 2. Sales for which you received an exemption certificate or direct pay permit number. Enter sales where an exemption certificate or direct pay permit number was accepted.

Line 3. Sales of food and food ingredients. Enter sales of food and food ingredients that are exempt from state sales tax. Do not include sales of soft drinks, prepared foods or sales from vending machines. Such sales are reported on line 1. Do not include sales of food purchased with an EBT card.

Line 4. Other deductions/exemptions. Enter the total of all other exemptions for which an exemption certificate or direct pay permit was received.

- Trade-in allowances and cash discounts on taxable sales if the total sale amount is reported on line 1.
- Refunds or credits for returned merchandise, if the sale of such merchandise was reported as a taxable sale on a prior return or on this return and the tax was refunded to the purchaser.
- Bad debts on taxable sales, charged off for income tax or franchise tax

purposes, if the sales were reported as taxable sales on a prior return or on this return and if your sales are reported on an accrual basis.

- All other exemptions.

Line 5. Total deductions and exemptions. Add lines 2 through 4 and enter total on line 5.

If line 1 is greater than line 5, go to line 6.

If line 5 is greater than line 1, go to line 7.

Line 6. Sales subject to state sales tax. Multiply line 6 by the sales tax rate of 0.06 found on **line 8** and enter the amount on **line 9, "Sales tax due."** The total on line 9 will also be entered on line 1 of the return (page 1). Go to Part II.

Line 7. Sales subject to state sales tax credit. Multiply line 7 by the sales tax rate of 0.06 found on **line 8**. Enter the amount on **line 10**. This is the amount you may designate to receive as a refund on **line 11, "Total refund"** or as a credit on **line 12, "Credit due."** Also see the instructions for the return, line 14.

Part II. State Sales Tax on Sales of Wine and Liquor to Private Clubs.

Line 1. Total sales. Enter total sales of wine and liquor sold to private clubs. The total does not include the sales tax amount. Do not enter any other sales on this line.

Line 2. State sales tax rate. The current state sales tax rate of 0.06 is provided.

Line 3. Total state sales tax on sales of wine and liquor to private clubs. Multiply line 1 by line 2 (0.06) and enter the total on line 3. This total will also be entered on line 2 of the return (page 1).

Note: Sellers of wine and liquor must file WV/CST-270, "Liquor/Wine Distribution Return."

Part III. State Use Tax.

Use tax must be paid on the purchase or lease of tangible personal property or taxable services used, stored or consumed in West Virginia upon which the West Virginia sales tax has not been paid. This includes all property and services purchased or leased using a direct pay permit. Examples of reasons you may owe use tax:

- You purchased property or services without paying sales tax from a seller outside of West Virginia and used, stored or consumed the property or services in West Virginia.
- You purchased property or services without paying sales tax for resale (to sell to others) or for a nontaxable use. You then used the property for yourself or in a taxable manner.
- You purchased property without paying sales tax and later gave the property away free to your customers.
- You purchased or leased property or services using a direct pay permit.

West Virginia sales and use tax law provides a credit for sales or use taxes that are properly due and paid to another state on property or services purchased outside West Virginia and subsequently used, stored or consumed in West Virginia. The credit is allowed up to the total of West Virginia state use tax (0.06) imposed on the same property or services purchased in the other state. However, when the sales or use tax paid to another state is greater or equal to the West Virginia sales and use tax, no entry is required on the West Virginia Sales and Use Tax Return to report the purchase or the credit.

Municipal Use Tax is reported on Schedule C. West Virginia municipal sales and use tax provides a credit for sales or use taxes that are properly due and paid to Municipality A for the same property or service used, stored or consumed in Municipality B. Municipality A may be out of state or in West Virginia. The amount of the credit is up to the municipal sales and use tax of Municipality B for the same property or service. However, when Municipality A's rate is greater than or equal to Municipality B's tax, no entry is required on the West Virginia Sales and Use Tax Return to report the purchase or the credit.

For example, Company A brings equipment into West Virginia for use in a municipality which imposes municipal sales and use tax. Company A has paid sales tax and a local tax in another state. Company A can determine the West Virginia state and municipal use tax as follows:

Use Tax – State

1. Purchase price\$10,000
2. 6.0% West Virginia State use tax
(\$10,000 x .06) \$ 600

3. Less 4.0% sales/use tax paid to
State B (\$10,000 x .04)\$ 400
4. Net use tax due to West Virginia.....\$ 200
5. Measure of tax (\$200 ÷ .06 tax rate)
.....\$ 3,333.34

Company A must include the \$3,333.34 on Schedule A, Part III, line 1 along with all other purchases subject to use tax. In that way, the total of line 1, including \$3,333.34, will be multiplied by line 2 (0.06) for the use tax due which will include \$200 for the equipment.

Use Tax – Municipal

1. Purchase price\$10,000
2. 1.0% Municipality B sales/use tax
(\$10,000 x .01)\$ 100
3. Less .5% sales/use tax paid to
Municipality A (\$10,000 x .005).....\$ 50
4. Net use tax due to municipality A\$ 50
5. Measure of tax (\$50 ÷ .01 tax rate) \$ 5,000.00

Company A should include the \$5,000 in Schedule C, column C, on the line of the appropriate municipality.

Line 1. Purchases subject to state use tax. Enter total purchases subject to state use tax. Do not include the amount of the tax.

Line 2. State use tax rate. The current use tax rate of 0.06 is provided.

Line 3. Total state sales tax due. Multiply line 1 by line 2 and enter the total. This total will also be entered on line 5 of the return (page 1).

If this is not an amended return, go to Schedules B and C, if applicable, or return to the first page if the schedules are not applicable.

Line 4. Payment made with original return. If you are filing an amended return, enter the amount of payment made with original return.

To find the amount of overpayment, subtract line 3 from line 4. If you want the overpayment amount as a refund, enter the amount on **line 5, "Total refund."** If you want the overpayment amount as a credit to future periods, enter the amount on **line 6, "Credit due."** Also see the instructions for page 1, line 14.

Schedule B. Municipal Sales Tax

Several municipalities impose a municipal sales and use tax. The municipal sales tax is reported on Schedule B. Municipalities imposing the sales and use tax are listed in **Column B** on the schedule. The corresponding municipal code is listed in **Column A** on the schedule.

Column C. Sales subject to municipal sales tax. For each municipality, enter the total amount of sales subject to sales tax in Column C.

Column E. Municipal sales tax due. For each municipality, multiply the sales subject to municipal sales tax, Column C, by the tax rate found in Column D. Enter the municipal sales tax due in Column E.

Column E., Line 31. Total Municipal Sales Tax Due. Add the totals in Column E and enter the total on line 31. This total will also be entered on line 3 of the return (page 1).

Schedule C. Municipal Use Tax

Several municipalities impose a municipal sales and use tax. The municipal use tax is reported on Schedule C. Municipalities imposing the sales and use tax are listed in **Column B** on the schedule. The corresponding municipal code is listed in **Column A** on the schedule.

Column C. Purchases subject to municipal use tax. For each municipality, enter the total amount of purchases subject to use tax in Column C. For an example of how to figure use tax, see Instructions for Part III, State Use Tax, on page 3.

Column E. Municipal Use Tax Due. For each municipality, multiply the purchases subject to municipal use tax in Column C by the tax rate in Column D for the municipal use tax due. Enter the amount in Column E.

Column E, Line 31. Total Municipal Use Tax Due. Add the totals in Column E and enter the total on line 31. This total will also be entered on line 6 of the return (page 1).

West Virginia Sales & Use Tax Return

You have previously filled out your name, address, tax account number, period ending, due date and have checked whether this is an amended return.

Line 1. Total state sales tax. Enter total from Schedule A, Part 1, line 9.

Line 2. Total sales tax on sales of wine and liquor to private clubs. Enter total from Schedule A, Part II, line 3.

Line 3. Total municipal sales tax. Enter total from Schedule B, Column E, line 31.

Line 4. Total sales tax. Add lines 1, 2 and 3 and enter total.

Line 5. Total state use tax. Enter total from Schedule A, Part III, line 3.

Line 6. Total municipal use tax. Enter total from Schedule C, Column E, line 31.

Line 7. Total use tax. Add lines 5 and 6 and enter the total.

Line 8. Total sales tax. Enter amount from line 4 above.

Line 9. Total use tax. Enter amount from line 7 above.

Line 10. Total sales and use tax. Add lines 8 and 9 and enter total.

Line 11. Enter any tax collected in excess of line 10.

Line 12. Interest must be added to any tax due that is not paid by the due date of the return even if an extension of time for filing has been granted. Interest is due from the due date until the date the tax is paid. The interest rate is set by the Tax Commissioner every six months. You may find the rate in Administrative Notices on the web site: www.wvtax.gov. The annual rate will not be less than 9.5%.

Line 13. Additions to tax may be imposed for the late filing of a return and for the late payment of tax unless reasonable cause is shown for the delay. The addition for late filing is 5% of the tax due for each month or part of a month up to a maximum of 25%. The addition for late payment is 0.005 (1/2 of 1%) of the unpaid balance for each month or part of a month that the tax remains unpaid up to a maximum of 25%. Remember, your return is not complete without required attachments and signatures.

Line 14. Sales and Use Tax Credit.

You may claim credit for tax paid in error by filing an amended return for the period in which the tax was overpaid and completing an affidavit for refund by filing form WV/CST-AF2.

If you paid tax on purchases of items for use in your business and used those items in an exempt

manner, you may claim credit by filing form WV/CST-240.

Credit forms may be found on our website, www.wvtax.gov, and must be attached to the return when claiming the credit.

Line 15. Total amount due. Add lines 10 through 13 then subtract line 14. Enter the total amount of sales and use tax due.

Lower line check boxes

Check "FIMS Transfer Sheet attached" if you are remitting tax due with a FIMS transfer. Attach your FIMS Transfer Sheet. This checkbox should only be used by other State of West Virginia agencies.

Check "Credit/Refund Application attached" and attach the completed WV/CST-AF2 or WV/CST-240.

Check "Bad Debt Deduction Taken" if you are claiming a bad debt deduction. Appropriate documentation must be attached. In order to claim bad debt deduction taken, you must claim "bad debt" as defined under 26 U.S.C. §166, claim the bad debt on federal income tax and report sales on an accrual basis.

Part IV. Sign Your Return

It is important to include **all** information requested in Part IV. Your return is not complete until it is signed.