MEMORANDUM

To: All WVU Departments/Units with Sales Subject to Sales Tax
From: Melissa D. Hunt
Assistant Director, Tax Services
Date: May 18, 2020

Effective July 1, 2020, the City of Morgantown will be implementing a 1% Municipal Sales and Use Tax.

What does this mean to sales made by my Department/Unit?
For locations within Morgantown, effective 7/1/2020 all sales that are currently subject to WV State Sales tax at 6% will also be subject to the additional 1% Morgantown Municipal Sales tax. A total of 7% in sales tax should be collected from the customer on every taxable transaction.

How do I know if my Department/Unit is within Morgantown for Morgantown Municipal Sales tax purposes?
Morgantown Municipal Sales tax is to be collected by business locations physically located within the Morgantown municipality and with a Morgantown zip code including, but not limited to: 26501, 26502, 26504, 26505, 26506, 26507, and 26508. If you are unsure based on your location, please contact WVU Tax Services.

Are all transactions subject to the 1% Morgantown Municipal Sales tax?
All transactions that are currently subject to WV State Sales tax at 6% will also be subject to the 1% Morgantown Municipal Sales tax.

Are sales that are currently exempt from WV State Sales tax also be exempt from the Morgantown Municipal Sales tax?
Yes, if the sale is exempt from WV State Sales tax then it is also exempt from Morgantown Municipal Sales tax.

What about sales to other WVU departments/units or to other tax-exempt organizations from which we have a sales tax exemption form on file?
Sales made to other WVU departments/units or to other tax-exemption organizations that are exempt from WV State Sales tax are also exempt from Morgantown Municipal Sales tax.

What steps do I need to take?
You will need to update your computer systems, cash registers, procedures, and any other processes that are impacted by this tax law change to begin charging and collected Morgantown Municipal Sales tax effective 7/1/2020. Employee’s should also be trained on the change.
How do I report both WV State Sales tax and Morgantown Municipal Sales tax collected?
Currently several units within the University provides on a monthly basis to Tax Services a detailed reporting of (1) total sales; (2) total taxable sales; and (3) total WV State Sales tax collected. For those units who are already reporting this information, you would only need to add a fourth reporting category of (4) total Morgantown Municipal Sales tax collected.

For those units who currently do not provide this detailed information, please contact Tax Services and we will discuss implementing a process to capture the detailed information needed.

Where do I deposit the Morgantown Municipal Sales tax collected?
Currently WV State Sales tax is deposited into the following funding string:

XX.940020522.11800190.2102101.XXX.XXXXXXXX

WV State Sales tax collected should continue to be deposited to this funding string.
We are working on a separate funding string to deposit the 1% Morgantown Municipal Sales tax collected. Follow-up information will be provided before 7/1/2020 as to the funding string.

What is the responsibility of the WVU Department/Unit regarding tax collection and reporting?
Individual WVU Departments/Units have the following responsibilities regarding sales made within their area:

• Collection of 6% WV State Sales tax on all taxable sales.
• Collection of 1% Morgantown Municipal Sales tax on all taxable sales.
• Deposit of all tax collected to the appropriate line item.
• Accounting to WVU Tax Services of all sales made during the time period including (1) total sales; (2) total taxable sales; (3) total WV State Sales tax collected; and (4) total Morgantown Municipal Sales tax collected.

Note – Total sales refers to the total sales made during the period and includes both taxable and nontaxable sales. Nontaxable sales are sales made for which the buyer provided a valid sales tax exemption form and therefore no sales tax was collected on that sale. Taxable sales include all sales that were not exempt from sales tax.
• Collection and maintaining of sales tax exemption forms on all tax-exempt entities that are not charged sales tax at the time of the sale.

Note – Sales to other WVU Departments/Units are not subject to sales tax and does not require collection of a sales tax exemption form. Sales to external entities that wish to claim sales tax exemption requires the WVU Department/Unit to collect and maintain a valid sales tax exemption form from the entity before allowing the sales tax exemption.
I have additional questions, who should I contact?
WVU Tax Services is available to answer your questions and provide assistance as we make this mandatory tax change. Due to the COVID-19 pandemic, the Tax Services team members are currently working remotely but are available via e-mail, TEAMS and phone. All questions should be directed first via e-mail to Melissa Hunt, Assistant Director at melissa.hunt@mail.wvu.edu.