

Senate Bill No. 207

(By Senators Kessler (Acting President) and Hall,

By Request of the Executive)

[Introduced January 19, 2011; referred to the Committee on
Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-15-3a of the Code of West Virginia,
1931, as amended, relating to reducing the consumers sales and
service tax on sales, purchases and uses of food and food
ingredients intended for human consumption on a date certain.

Be it enacted by the Legislature of West Virginia:

That §11-15-3a of the Code of West Virginia, 1931, as amended,
be amended and reenacted to read as follows:

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

**§11-15-3a. Rate of tax on food and food ingredients intended for
human consumption; reductions of tax beginning July
1, 2008 and January 1, 2012.**

(a) *Rate of tax on food and food ingredients.* --
Notwithstanding any provision of this article or article fifteen-a
of this chapter to the contrary, the rate of tax on sales,
purchases and uses of food and food ingredients intended for human
consumption after ~~the thirty-first day of December, two thousand~~

1 ~~five, shall be five percent of its sales price, as defined in~~
2 ~~section two, article fifteen-b of this chapter: *Provided*, That the~~
3 ~~rate of tax on sales, purchases and uses of food and food~~
4 ~~ingredients, as defined in said section, that is intended for human~~
5 ~~consumption after the thirtieth day of June, two thousand seven,~~
6 ~~shall be four percent of its sales price, as defined in said~~
7 ~~section: *Provided*, however, That the rate of tax on sales,~~
8 ~~purchases and uses of food and food ingredients as defined in said~~
9 ~~section that is intended for human consumption after the thirtieth~~
10 ~~day of June, two thousand eight June 30, 2008, shall be three~~
11 ~~percent of its sales price, as defined in ~~said~~ section two, article~~
12 ~~fifteen-b of this chapter: *Provided*, That the rate of tax on sales,~~
13 ~~purchases and uses of food and food ingredients as defined in said~~
14 ~~section that is intended for human consumption after December 31,~~
15 ~~2011, shall be two percent of its sales price, as defined in said~~
16 ~~section.~~

17 (b) *Calculation of tax on fractional parts of a dollar.* -- The
18 tax computation under this section shall be carried to the third
19 decimal place and the tax rounded up to the next whole cent
20 whenever the third decimal place is greater than four and rounded
21 down to the lower whole cent whenever the third decimal place is
22 four or less. The seller may elect to compute the tax due on a
23 transaction on a per item basis or on an invoice basis provided the
24 method used is consistently used during the reporting period.

25 (c) *Federal food stamp and women, infants and children*

1 *programs, other exemptions.* -- Nothing in this section shall affect
2 application of the exemption from tax provided in section nine of
3 this article for food purchased by an eligible person using food
4 stamps, electronic benefits transfer cards or vouchers issued by or
5 pursuant to authorization of the United States Department of
6 Agriculture to individuals participating in the federal food stamp
7 program, by whatever name called, or the women, infants and
8 children (WIC) program, or application of any other exemption from
9 tax set forth in this article or article fifteen-a of this chapter.

NOTE: The purpose of this bill is to reduce the Consumers Sales and Service Tax on food and food ingredients to 2%, beginning on January 1, 2012.

Strike-throughs indicate language that would be stricken from present law, and underscoring indicates new language that would be added.