

COMMITTEE SUBSTITUTE

FOR

**Senate Bill No. 487**

(By Senators Snyder and Miller)

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[Originating in the Committee on Government Organization;  
reported February 18, 2014.]

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A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §8-13-5b, relating to municipal sales tax; authorizing municipalities to enact a municipal sales tax at a rate of one percent or less; requiring reduction or elimination of municipal business and occupation tax with limitations; requiring services of State Tax Commissioner to administer tax; providing rule-making authority for the Tax Commissioner to administer municipal sales tax and charge a fee; requiring a public hearing before enacting a municipal sales tax; and requiring a municipal sales tax be read at least two times prior to enactment.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §8-13-5b, to read as follows:

**ARTICLE 13. TAXATION AND FINANCE.**

**§8-13-5b. Municipal sales tax.**

1 (a) Commencing July 1, 2014, a municipality has the  
2 authority to enact a municipal sales tax at a rate of one  
3 percent or less.

4 (b) If a municipality imposes a municipal business and  
5 occupation tax, then before enacting a municipal sales tax,  
6 the municipality shall reduce or eliminate its municipal  
7 business and occupation tax: *Provided*, That if a category is  
8 not subject to the municipal sales tax, then the category shall  
9 be subject to the municipal business and occupation tax.

10 (c) After enacting a municipal sales tax, if a municipality  
11 reinstates the municipal business and occupation tax it  
12 previously eliminated or reduced, or enacts a municipal

13 business and occupation tax, it shall eliminate the municipal  
14 sales tax.

15 (d) A municipality that imposes a municipal sales tax,  
16 pursuant to this section, shall use the services of the State  
17 Tax Commissioner to administer, enforce and collect the tax.  
18 The Tax Commissioner shall propose rules for legislative  
19 approval in accordance with the provisions of article three,  
20 chapter twenty-nine-a of this code that establish the  
21 procedures and the fees for the administration of this section  
22 by the Tax Commissioner.

23 (e) Before enacting a municipal sales tax, a municipality  
24 shall:

25 (1) Hold a public hearing on the proposed municipal sales  
26 tax;

27 (2) Provide notice at least thirty days prior to the public  
28 hearing by a Class II legal advertisement;

29 (3) Make a copy of the proposed municipal sales tax  
30 available for public inspection at least thirty days prior to the  
31 public hearing; and

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32 (4) After the public hearing, read the proposed municipal

33 sales tax at least two times.