

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 487**

4 (By Senators Snyder and Miller)

5 \_\_\_\_\_  
6 [Originating in the Committee on Government Organization;  
7 reported February 18, 2014.]

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9  
10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new section, designated §8-13-5b, relating to  
12 municipal sales tax; authorizing municipalities to enact a  
13 municipal sales tax at a rate of one percent or less;  
14 requiring reduction or elimination of municipal business and  
15 occupation tax with limitations; requiring services of State  
16 Tax Commissioner to administer tax; providing rule-making  
17 authority for the Tax Commissioner to administer municipal  
18 sales tax and charge a fee; requiring a public hearing before  
19 enacting a municipal sales tax; and requiring a municipal  
20 sales tax be read at least two times prior to enactment.

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

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

1 **ARTICLE 13. TAXATION AND FINANCE.**

2 **§8-13-5b. Municipal sales tax.**

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

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

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

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

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

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

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

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

6           (4) After the public hearing, read the proposed municipal  
7 sales tax at least two times.