

Senate Bill No. 487

(By Senators Snyder and Miller)

[Introduced February 5, 2014; referred to the Committee on
Government Organization; and then to the Committee on Finance.]

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; 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

1 follows:

2 **ARTICLE 13. TAXATION AND FINANCE.**

3 **§8-13-5b. Municipal sales tax.**

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

6 (b) If a municipality imposes a municipal business and
7 occupation tax, then before enacting a municipal sales tax, the
8 municipality shall:

9 (1) Eliminate its municipal business and occupation tax; or

10 (2) Reduce a category or categories of its municipal business
11 and occupation tax at the same aggregate revenue amount the
12 municipality imposes to the municipal sales tax.

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

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

1 (e) Before enacting a municipal sales tax, a municipality
2 shall:

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

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

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

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

NOTE: The purpose of this bill is to authorize municipalities to enact a municipal sales tax at a rate of one percent or less. The bill requires reduction or elimination of municipal business and occupation tax when a municipal sales tax is enacted. The bill further requires services of State Tax Commissioner to administer tax and provides rule-making authority for the Tax Commissioner to administer municipal sales tax and charge a fee. The bill requires a public hearing before enacting a municipal sales tax and requires a municipal sales tax be read at least two times prior to enactment.

This section is new; therefore, strike-throughs and underscoring have been omitted.