

2018 Guidebook To West Virginia Taxes

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GUIDEBOOK TO WEST VIRGINIA TAXES

This **Guidebook** provides a general picture of the taxes imposed by the State of West Virginia and the taxes levied by the local governments. All 2017 amendments to the West Virginia law that are currently in effect are reflected in the Guidebook and references to federal laws are to the laws enacted or amended before January 1, 2017.¹

This **Guidebook** is designed as a quick reference work describing the general provisions of the respective tax laws, regulations and administrative practice, useful to tax practitioners, businesspersons and others who prepare or file West Virginia state and local returns or who are required to deal with West Virginia state and local taxes.

State taxes of major interest, including the corporation net income tax, the business franchise tax, the consumer sales and service and use taxes, the personal income tax, the property tax and the severance tax are treated in detail. Incentives for business development and tax procedure also are detailed. Other West Virginia state and local taxes are summarized with particular emphasis on persons or transactions subject to tax, exemptions, basis and rates of tax, and returns and payment.

In determining the personal income tax and the corporation net income tax, West Virginia uses federal figures as a starting point in the determination of the West Virginia tax base. Consequently, the **Guidebook** makes references to the comparable and relevant provisions of the Federal Internal Revenue Code. Changes in federal income tax law made after December 31, 2016, that affect the federal adjusted gross income of individuals and the federal taxable income of corporations are not automatically incorporated into the West Virginia personal and corporation net income tax laws. Historically, the West Virginia Legislature annually updates the meanings of “federal adjusted gross income” and “federal taxable income” for West Virginia income tax purposes. Any federal change the Legislature does not wish to adopt is then enacted as an increasing or decreasing modification to “federal adjusted gross income” or “federal taxable income,” as appropriate.

This **Guidebook** is not designed to eliminate the necessity of referring to the law and regulations for answers to specific problems, nor is it intended to take the place of the more detailed information available from other publishers. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

¹ West Virginia income tax laws do not automatically conform to changes in federal income tax law affecting the definitions of federal adjusted gross income for individuals and federal taxable income in the case of corporations, estates and trust. Historically, the West Virginia Legislature has enacted conformity legislation and made the enactments retroactive.

PREFACE

Each tax of major interest is covered in a separate chapter, and there is a chapter covering a number of miscellaneous taxes. Additionally, there are chapters on tax procedures and incentives for business development. Where there is a special procedure applicable to a particular tax, the procedure is discussed in the chapter pertaining to that tax.

This **Guidebook** was written by a number of authors, each of whom contributed a chapter. The authors are well-known tax authorities in West Virginia and have particular knowledge of the subject of their chapter. Each chapter discusses the statutory scheme and regulations and briefly reviews the major cases pertaining to the tax covered. A detailed example of each State tax incentive for business development is provided in the chapter discussing those incentives. Discussion of the major taxes includes reference to relevant forms. However, because forms for all taxes collected by the West Virginia Tax Department are available at the Department's webpage, <http://tax.wv.gov/Pages/default.aspx>, we have not included the various forms in this publication. Each chapter lists the sections of the West Virginia Code applicable to the particular tax being discussed. The West Virginia Code is available at the West Virginia Legislature's webpage: <http://www.legis.state.wv.us/>. Frequently, this Guidebook cites applicable regulations. The Tax Commissioner is authorized to promulgate interpretive, legislative and procedural administrative rules following the procedure set forth in article three of the State Administrative Procedures Act. W. Va. Code § 29A-3-1 *et seq.* These rules are available in hard copy from the West Virginia Secretary of State. They are also available in electronic format at the Secretary of State's website: www.sos.wv.gov by clicking on the words "Search for Rules" under the Administrative Law icon.

Because West Virginia adopts federal figures as the starting point for the corporate and non-corporate income taxes, this **Guidebook** makes references to the comparable federal law provisions where relevant.

Craig A. Griffith, Editor

November 21, 2017

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The West Virginia Society of Certified Public Accountants would like to recognize the work of Victor Grigoraci who was instrumental in the Guidebook becoming a project of the West Virginia Society of Certified Public Accountants and who for many years authored the chapter on corporation net income taxes.

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TABLE OF PUBLICATIONS WEST VIRGINIA STATE TAX DEPARTMENT

The State Tax Department publishes the following Taxpayer Services Division publications (TSD) at its website, <http://tax.wv.gov/Pages/default.aspx>, which provide general tax information on the following subjects:*

Publication	Date	Title
TSD-1	Rev. October, 2015	Publications Available
TSD-2	Rev. March, 2017	Tax Division Telephone Numbers
TSD-3	Rev. March, 2017	Mailing Addresses
TSD-4	Rev. March, 2017	West Virginia Taxpayer Rights
TSD-100	Rev. March, 2017	West Virginia Business Taxes
TSD-110	Rev. March, 2017	West Virginia Tax Credits
TSD-200	Rev. December, 2015	West Virginia Business Franchise Tax
TSD-210	Rev. March, 2017	Coal Severance Tax
TSD-211	Rev. March, 2017	Timber Severance Tax
TSD-300	Rev. March, 2017	Sales and Use Tax Exemptions
TSD-301	Rev. March, 2017	Sales and Use Tax for Local Governments
TSD-310	Rev. March, 2017	Capital Improvement Rule: Sales and Use Tax for Construction Trades
TSD-312	Rev. November, 2011	ABC's of Sales and Use Tax for Public Schools
TSD-312A	Rev. November, 2011	ABC's of Sales and Use Tax for Private Elementary and Secondary Schools
TSD-315	Rev. August, 2009	Changes Affecting Factory-Built Home Dealers
TSD-316	Rev. October, 2014	Sales Tax on Lodging Rentals
TSD-317	Rev. April, 1993	Transient Vendors
TSD-318	Rev. May, 2015	Taxation of Homeowners' Associations and Common Interest Communities
TSD-320	Rev. November, 2011	Special Sales and Use Tax Rules for Nonprofit Organizations
TSD-321	Rev. November, 2011	Consumers Sales and Service Tax- Hotel and Motel Bills Charged on the West Virginia American Express Corporate Charge Cards
TSD-325	Rev. November, 2011	The Incidental Installation Rule: Sales and Use Tax Changes Affecting Sellers of Wall To Wall Carpet, Household Appliances, and Other Household Improvements
TSD-330	Rev. January, 2012	Nonresident Contractors Sales and Use Tax Requirements
TSD-345	Rev. January, 2012	Vendor Responsibilities: Questions and Answers About West Virginia Sales Tax Collection and Recordkeeping Rules
TSD-355	Rev. April, 1993	The Integrated Manufacturer/Contractor Rule
TSD-356	Rev. April, 1993	Motion Picture Theaters: Sales and Use Tax Rules
TSD-358	Rev. July, 2008	Direct Use Concept
TSD-360	Rev. October, 2015	Registration Procedures for Business
TSD-364	Rev. December, 2007	Auctioneers and Sales Tax
TSD-365	Rev. December, 2014	How Interest and Additions to Tax Are Assessed
TSD-366	Rev. November, 2011	Sales Tax Responsibilities: Operators of Night Clubs, Bars, Restaurants and Similar Businesses
TSD-368	Rev. January, 2012	Sales and Use Tax and Veterinarians
TSD-369	Rev. January, 2012	Use Tax & Your Business
TSD-370	Rev. January, 2012	Manufacturer/Retailer- Sales and Use Tax on Samples
TSD-371	Rev. December, 2014	Sales Tax Responsibilities of Agricultural Producers
TSD-372	Rev. December, 2014	Radio and Television Broadcasters and Sales and Use Tax
TSD-372A	Rev. November, 2011	Broadcasters Notification of Agency Relationship With

		Out-Of-State Advertisers
TSD-373	Rev. November, 2011	Sales and Use Tax and Attorneys
TSD-374	Rev. November, 2011	Sales and Use Tax and Dentists
TSD-375	Rev. November, 2011	Summer Camps and Sales Tax
TSD-376	Rev. November, 2011	Sales and Use Tax Travel Services, Agencies and Agents
TSD-377	Rev. August, 2013	Sales and Use Tax and Doctors
TSD-379	Rev. February, 2008	Special Exemption for Nonprofit Organizations Providing Low-Income Housing and Shelters
TSD-380	Rev. April, 2008	Requirements for Rehabilitated Building Investment Credit
TSD-380A	Rev. January, 2001	Residential Historic Rehabilitated Buildings Investment Credit
TSD-381	Rev. January, 2015	Withholding Tax Information for Employers
TSD-382	Rev. March, 1999	Commonly Asked Questions about the Special Tax on Coal
TSD-383	Rev. November 2014	Pharmacies and Sales Tax
TSD-385	September, 1992	Partial Release of Property From State Tax Lien
TSD-389	Rev. October, 2014	West Virginia Withholding Requirements for Sales of Real Property by Nonresidents
TSD-390	Rev. December, 2007	Section § 11-27-71a Income Tax Withholding By Partnerships, S Corporation, Estates and Trusts
TSD-391	Rev. December, 2007	General Information Regarding Income Tax Withholding Under § 11-21-71a For Nonresident Partners, S Corporation Shareholders, or Beneficiaries of Estates or Trusts
TSD-392	Rev. December, 2011	West Virginia Corporation Net Income Tax Nonbusiness Income
TSD-393	Rev. November, 2011	West Virginia Estate Tax and Intestate Succession Law
TSD-397	July, 1998	Taxation of Financial Organizations under West Virginia's Business Franchise Tax and Corporation Net Income Tax
TSD-398	Rev. March, 2003	Reduced Severance Tax Rate for Thin Seam Coal Produced From New Mines
TSD-400	Rev. May 2015	Consumers Sales Tax Responsibilities: Entertainers and Artists
TSD-401	Rev. September, 2015	Dyed Diesel Fuel and IFTA/MCRT Qualified Motor Vehicles
TSD-402	Rev. June, 2011	West Virginia Broad Based Health Care Related Taxes
TSD-404	Rev. December, 2007	Timber Severance Tax Requirements for Nonresidents
TSD-405	Rev. November, 2011	Consumers Sales Tax Responsibilities Regarding Coin Operated Machines or Devices
TSD-406	Rev. November, 2011	Taxability of Internet Sales Made By West Virginia Retailers
TSD-407	Rev. October 2014	West Virginia Sales Tax Collection Requirements
TSD-409	Rev. September, 2003	Consumers Sales and Service Tax On the Services Of Lobbyists
TSD-410	Rev. October, 2015	West Virginia Motor Fuel Excise Tax
TSD-411	Rev. November, 2014	Senior Citizens Tax Credit
TSD-412	Rev. October 2014	Voluntary Disclosure Agreements
TSD-413	Rev. December, 2009	West Virginia Tax Tips for Senior Citizens
TSD-414	March, 2005	West Virginia Sales and Use Tax Changes for the Year 2004
TSD-415	May, 2005	Collection of West Virginia Consumer Sales and Service Tax for All State Correctional and Regional Jail Facilities
TSD-416	Rev. January, 2012	Waste Coal and Severance Tax
TSD-418	Rev. August, 2014	Helpful Tips on Filing Your West Virginia Personal Income Tax Return
TSD-419	Rev. July, 2013	Application of The Reduced West Virginia Consumer Sales and Service Tax to Food
TSD-420	Rev. January, 2012	Important Notice Regarding Prepared Food for Human Consumption
TSD-421	Rev. August, 2013	Registration Procedures for A Withholding Only Account
TSD-422	Rev. November, 2011	Income Tax Responsibilities for West Virginia Resident Shareholders of an Ohio S-Corporation
TSD-423	Rev. November, 2011	Nonresident Lawyers - Tax Reporting and Filing Requirements
TSD-424	Rev. October, 2014	Integrated Tax System

TSD-425	Rev. June 2016	Consumers Sales Tax Exemption for Drugs, Durable Medical Goods, Mobility Enhancing Equipment and Prosthetic Devices Dispensed Upon Prescription
TSD-427	Rev. November, 2011	Prepaid Wireless Calling Services Now Subject to Sales and Use Tax
TSD-428	Rev. July, 2015	Filing and Remitting Of Income Tax Withheld
TSD-429	Rev. November, 2011	Notice to West Virginia Timber Producers of Elimination of Severance Tax on Timber for a Three Year Period
TSD-430	Rev. January, 2012	Income Tax Information for Spouse of United States Military Servicemembers
TSD-432	July, 2012	Backup Withholding from Gambling Winnings

To order publications call State Tax Department's automated information system at (304) 344-2068 or 1-800-422-2075 toll free
TDD service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)
Internet address: <http://www.wvtax.gov/>

*List is current through November 1, 2017.

ADMINISTRATION AND PERSONNEL

DEPARTMENT OF REVENUE

Secretary of Revenue:
Dave Hardy*
Managing Deputy Secretary:
Doug Buffington
Deputy Secretary;
Mark Muchow
General Counsel and Deputy Secretary:
Allen Prunty

The Department of Revenue provides administrative support services and liaison with the Governor's Office for 10 agencies, boards, commissions and offices, one of which is the State Tax Division, hereinafter called the State Tax Department. Also included in the Department of Revenue are the Office of Tax Appeals, the Alcohol Beverage Control Administration, the Division of Financial Institutions, the Insurance Commission, the Lottery Commission, the Municipal Bond Commission, the Racing Commission, the Athletic Commission, and the Budget Office.

STATE TAX DEPARTMENT

State Tax Commissioner: Dale W. Steager*
Deputy Tax Commissioner: Lydia McKee
General Counsel and Legal Division Director:
Mark S. Morton
Auditing Division Director: Dana K. Angell
Compliance Division Director: Thomas A. Moore Jr.
Criminal Investigation Division Director:
Randy Young
Information Technology Division Director:
Kwasi C. Toombs
Operations Division Director/Assistant Commissioner:
Danny Morgan
Property Tax Division Director: Jeffrey A. Amburgey
Research and Development Director:
Elizabeth Pardue (Acting)
Revenue Division Director: Brianna Walker
Tax Account Administration Division Director:
Matthew Irby
Taxpayer Services Division Director:
Shella Hogg
Disclosure Officer: Harry Yates Jr.
Communications Director -- Lalena D. Price

* Appointed by Governor Earl Ray Tomblin

Statement of Good Standing

Complete and file GSR-01 WV Request for Statement of Good Standing
West Virginia State Tax Department
ATTN: TPS Administrative Support
P.O. Box 885
Charleston, WV 25323-0885
Phone: (304) 558-0678
(304) 558-8695
(304) 558-1114
(304) 558-0659
Fax No: (304) 558-8643

The State Tax Department administers, collects and enforces all of the State taxes discussed in this book except for the ad valorem property tax, the unemployment tax and the taxes imposed, administered, collected and enforced by counties and municipalities. The State Tax Department determines the appraised values of industrial and natural resource properties, determines the tentative assessed value of operating public utility properties and supervises the work of locally elected county assessors who are responsible for determining the appraised value of all other property and for determining the assessed value of real and tangible personal property in their respective counties on the July 1st assessment day, except for operating public utility property. The Department administers a number of business incentives and other tax credit programs, licenses the conduct of charitable bingo games and charitable raffles held in the State, and performs a number of other statutory duties.

Tax return forms, instructions and other publications are available at the State Tax Department's website: <http://tax.wv.gov/Pages/default.aspx>.

OFFICE OF TAX APPEALS

Chief Administrative Law Judge: Heather G. Harlan
Administrative Law Judge: Crystal S. Flanigan
Executive Director and "Clerk of Court": Stephen P. Lee

The Office of Tax Appeals hears petitions for reassessment and petitions for refund of taxes and fees administered under the West Virginia Tax Procedure and Administration Act and hears other appeals from actions of the Tax Commissioner as authorized in the West Virginia Code. The Office has no jurisdiction in property tax matters.

BOARD OF PUBLIC WORKS

Governor: James Conley "Jim" Justice
Secretary of State: Andrew "Mac" Warner
State Attorney General: Patrick Morrissey
State Auditor: John B. McCuskey

State Commissioner of Agriculture: Kent Leonhardt
State Superintendent of Schools: Steven L. Paine
State Treasurer: John Perdue

The Board of Public Works, a board composed of the above officials, ex-officio, levies the State property tax, determines the assessed value of operating property of public service companies and hears appeals from tentative assessments of public utility property.

SECRETARY OF STATE

Andrew "Mac" Warner, Secretary of State

The Secretary of State Office's includes the administrative law division, which publishes the State Register and is the repository for administrative regulations promulgated by state agencies; the business division, which maintains the official state records of formation, change and termination of legal entities, such as corporations, limited liability companies, limited partnerships, limited liability partnerships, voluntary associations and business trusts, and authorizations of foreign entities to do business in the State; and the elections division.

STATE AUDITOR

John B. McCuskey, State Auditor

The State Auditor's duties include annually apportioning the statewide assessed values of public utility properties determined by the Board of Public Works; and collecting the property taxes annually levied on public utilities.

STATE TREASURER

John D. Perdue

The State Treasurer's duties include administering the State's unclaimed property program.

Business holding unclaimed property:

Contact: Unclaimed Property Division

West Virginia State Treasurer's Office

<http://www.wvtreasury.com/Unclaimed-Property/Business-Holders>

Phone: 800-642-8687

Persons claiming unclaimed property

Contact: Unclaimed Property Division

West Virginia State Treasurer's Office

Phone: 304-558-2937 or 800-642-8687

STATE TAX DEPARTMENT OFFICE LOCATIONS

West Virginia Revenue Center

1001 Lee Street, East
Charleston, West Virginia 25301
Phone: (304) 558-8333

Charleston Office – Compliance Division

1001 Lee Street East
P.O. Box 229
Charleston, WV 25321-0229
Phone: (304) 558-8750
Fax: (304) 558-1645

Charleston Office – Property Tax Division

Albert T. Summers Center
1124 Smith St., 2nd Floor
P. O. Box 2389
Charleston, WV 25328-2389
Phone: (304) 558-3940
Fax: (304) 558-1843

Charleston Office - Taxpayer Services Division

Albert T. Summers Center
1124 Smith St., P. O. Box 2389
Charleston, WV 25301
P.O. Box 3784
Charleston, WV 25337-3784
Phone: (304) 558-3333
Toll Free: 1-800-WVA-TAXS (982-8297)
Fax: (304) 558-3269

STATE TAX DEPARTMENT REGIONAL and FIELD OFFICES

Beckley Regional Office

Compliance and Taxpayer Services Divisions
407 Neville Street, Suite 109
Beckley, WV 25801
Phone: (304) 256- 6870
Fax: (304) 250-6549

Beckley Property Tax Field Office

Property Tax Division
407 Neville Street, Suite 120
Beckley, WV 25801
Phone: (304) 256-6873

Fax: (304) 256-6740

Martinsburg Regional Office

397 Mid Atlantic Parkway, Suite 2

Martinsburg, WV 25401

Compliance and Taxpayer Services Divisions

Phone: (304) 267-0020

Fax: (304) 267-0041

Property Tax Field Office, Suite 2

Phone: (304) 267-0023

Fax: (304) 267-0041

Clarksburg Regional Office

153 West Main Street, Suite E

Clarksburg, WV 26301

Compliance and Taxpayer Services Divisions

Phone: (304) 627-2165

Fax: (304) 627-2112

Property Tax Field Office, Suite E

Phone: (304) 627-2110 or 2111

Fax: (304) 267-2112

Parkersburg Regional Office

400 5th Street, Room 509

Parkersburg, WV 26101

Compliance and Taxpayer Services Divisions

Phone: (304) 420-4573

Fax: (304) 420-4530

Wheeling Regional Office

40 14th Street, Suite 101

Wheeling, WV 26003

Compliance and Taxpayer Services Divisions

Phone: (304) 238-1150

Fax: (304) 238-1153

Property Tax Field Office

Phone: (304) 238-1160

Fax: (304) 238-1153

TAX RATES

BUSINESS FRANCHISE TAX

Tax rates

Period	Tax Rate
For taxable years beginning after June 30, 1997	0.70% of taxable capital
For taxable years beginning after December 31, 2006	0.55% of taxable capital
For taxable years beginning after December 31, 2008	0.48% of taxable capital
For taxable years beginning after December 31, 2009	0.41% of taxable capital
For taxable years beginning after December 31, 2010	0.34% of taxable capital
For taxable years beginning after December 31, 2011	0.27% of taxable capital
For taxable years beginning after December 31, 2012	0.21% of taxable capital
For taxable years beginning after December 31, 2013	0.10% of taxable capital
For taxable years beginning after December 31, 2014	No Tax

Minimum tax: The minimum tax is \$50 per year, for tax years beginning before January 1, 2015.

For additional information about the business franchise tax, see chapter 2 of this Guidebook.

CORPORATION NET INCOME TAX

Tax Rates

Period	Tax Rate
For taxable periods beginning after December 31, 2013	6.5%*

For additional information about the corporation net income tax, see chapter 1 of this Guidebook.

NON-CORPORATE INCOME TAX

Tax Rates

Single individuals, estates and trusts, married individuals filing joint returns:

If W. Va. taxable income is:	The tax is:
Not over \$10,000	3% of the taxable income
Over \$10,000 but not over \$25,000	\$300 plus 4.0% of excess over \$10,000
Over \$25,000 but not over \$40,000	\$900 plus 4.5% of excess over \$25,000
Over \$40,000 but not over \$60,000	\$1,575.00 plus 6.0% of excess over \$60,000
Over \$60,000	\$2,775.00 plus 6.5% of excess over \$60,000

Married individuals filing separate returns:

If W. Va. taxable income is:	The tax is:
Not over \$5,000	3% of the taxable income
Over \$5,000 but not over \$12,500	\$150.00 plus 4.0% of excess over \$10,000
Over \$12,500 but not over \$20,000	\$450.00 plus 4.5% of excess over \$20,000
Over \$20,000 but not over \$30,000	\$787.50 plus 6.0% of excess over \$30,000
Over \$30,000	\$1,387.50 plus 6.5% of excess over \$30,000

Minimum tax: None

Withholding on employee compensation is required.

Withholding is also required:

- When a pass-through entity distributes West Virginia source income to nonresident individuals or corporations (distributions include actual or deemed) (6.5% rate of tax);
- When a nonresident individual or business sells real property located in this State unless an exemption applies (2.5% of total payment to nonresident or 6.5% of estimated capital gain);
- On gambling winnings when withholding is required for federal income tax purposes (6.5% rate of tax); and
- On lottery winnings of more than \$5,000 from any lottery prize awarded by the West Virginia State Lottery Commission (6.5% rate of tax).

For additional information about the noncorporate income taxes, see chapter 4 of this Guidebook.

CONSUMER SALES AND SERVICE TAX AND USE TAX

Tax Rates

General: The rate of tax due under the consumers sales and service tax and under the use tax is 6% of the purchase price of the tangible personal property or taxable service. However, sales of mobile homes used by the purchasers as a principal year-round residence *are* taxed at a rate of 6% on 50% of the purchase price. A compensating use tax is also imposed which generally applies when tangible personal property or a taxable service is purchased outside West Virginia. Credit is allowed against the use tax for sales taxes lawfully paid to another state.

Grocery store type food items intended for human consumption are exempt from state and local sales taxes as of July 1, 2013. This exemption does not include certain prepared foods, food sold warm, soft drinks or food sold through vending machines.

Motor vehicles: Beginning July 1, 2017, motor vehicles are subject to the 6% sales tax. The rate was previously 5%. Individuals who move to West Virginia are generally exempt from paying this tax when they re-title their motor vehicle in West Virginia.

Motor fuel: Motor fuels are subject to sales tax, at the 5% rate of tax, based on the average wholesale price of motor fuel during the months of July, August, September and October of the prior calendar year, as determined annually by the Tax Commissioner. This tax is collected as the variable rate component of the motor fuel excise tax. Effective July 1, 2017, the wholesale price of motor fuels cannot be less than \$3.04 (previously \$2.34) per gallon and the variable component of the tax per gallon may not be less than 15.2¢ per gallon of motor fuel. The flat rate component of the motor fuel excise tax is 20.5¢ per gallon, and the aggregate rate per gallon of conventional motor fuels is 35.7¢ per gallon.

Local sales and use taxes: As of July 1, 2017, 36 municipalities impose local sales and use taxes that are administered, collected and enforced by the State Tax Commissioner. These municipalities* are:

Municipality	Municipality	Municipality
Beckley	Harrisville	Ranson
Bluefield	Huntington	Romney
Bolivar	Martinsburg	Rupert
Bridgeport	Milton	Saint Albans
Charles Town	Moorefield	Shepherdstown
Charleston	Moundsville	Sistersville
Clarksburg	New Cumberland	South Charleston
Dunbar	Nitro	Thomas
Fairmont	Parkersburg	Vienna
Follansbee	Pennsboro	Weirton
Grafton	Princeton	Wheeling
Harpers Ferry	Quinwood	Williamstown

Local sales and use taxes do not apply to sales of motor vehicles, sales of motor fuels, any transaction that is exempt from State sales and use taxes, or any transaction subject to State sales tax that municipalities are prohibited from taxing under State or Federal law.

For additional information about sales and use taxes, see chapter 5 and chapter 10 of this Guidebook.

* All listed municipalities impose sales and use tax at a rate of 1% except for Moorefield, which imposes a sales and use tax of .5%.

PROPERTY TAX

Tax Rates

The maximum property tax rates allowed by the West Virginia Constitution per \$100 of assessed valuation are:

- \$0.50 for Class I property (certain agricultural personal property),
- \$1.00 for Class II property (owner occupied residential property and farmland),
- \$1.50 for Class III property (other property located outside a municipality),
- \$2.00 for Class IV property (other property located inside a municipality).

These rates can be increased by voter approved referendum to impose special or excess levies, as proposed by county boards of education, county commissions and municipalities. Excess levies are generally in effect for a period of five years before resubmission to the voters. Excess levies of county commissions and municipalities may not exceed 50% of the regular levy rate and must be approved by at least 60% of those voting on the question. Education excess levies can be 100% of the regular levy and are approved by a simple majority vote. General obligation bond levies are approved by a simple majority vote.

For additional information about ad valorem property taxes, see chapter 6 of this Guidebook.

Property Transfer Tax

- \$2.20 per \$500 of consideration (Maximum county and state amount prior to July 1, 2017)
- \$2.75 per \$500 of consideration (Maximum county and state amount on and after July 1, 2017)
- \$3.30 per \$500 of consideration (Jefferson County)

In most counties, the county real property transfer tax is \$1.10 per \$500 of value (or fraction thereof) and is payable to the county clerk when the deed is recorded. The county tax is in addition to the state property transfer tax which is \$1.10 per \$500 of value (or fraction thereof) and is payable to the county clerk when the deed is recorded. Effective July 1, 2017, the county may increase its transfer tax rate to \$1.65 for each \$500 (or fraction thereof). Some counties impose an addition property transfer tax of \$1.10 per \$500 of value for farm land preservation. This additional tax is paid to the county clerk when the deed is recorded.

For additional information about the property transfer tax, see chapter 10 of this Guidebook.

Severance Tax

Tax Rates

(on gross value of the natural resource subject to tax)

NATURAL RESOURCE CLASSIFICATION	Tax Rate
Coal *	5.00%
When produced by underground mining methods from seams 37" to 45" thick	2.00%
When produced by underground mining methods from seams less than 37" thick	1.00%
When produced from waste and residue from prior mining	2.50%
Limestone or Sandstone quarried or mined	5.00%
Oil	5.00%
Natural Gas	5.00%
Natural gas – methane gas	5.00%
Sand, gravel or other mineral product not quarried or mined	5.00%
Timber produced after June 30, 2016 but before July 1, 2019	1.50%
Other Natural Resources	5.00%

* The rates for coal include the 0.35% rate imposed for the benefit of counties and municipalities.

These rates do not include the minimum severance tax on coal, see chapter 7, ¶ 712, the additional tax on producers of coal, gas or timber, see ¶ 713, the special reclamation tax, see ¶ 714, or the special tax on coal producers, see ¶ 715.

The additional taxes on the privileges of severing coal, natural gas and timber imposed by W. Va. Code § 11-13V-4 expired and do not apply to production on and after July 1, 2016.

ESTATE TAX: None (for persons dying after December 31, 2004)