

# 2020 Guidebook To West Virginia Taxes

Edited by  
Craig A. Griffith

Contributing Authors:  
C. Page Hamrick, III  
Kevin A. Highlander  
Chris M. Hunter  
John A. Mairs  
Alan Mierke  
Paul G. Papadopoulos  
David L. Phillips  
Herschel H. Rose III  
Floyd "Kin" Sayre  
J. Marlin Witt

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. However, it is provided with the understanding that the publisher is not engaged in rendering legal, accounting or other professional service and that the authors are not offering such advice in this publication. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

Published by **West Virginia Society of Certified Public Accountants**  
900 Lee Street, E. Suite 1201, Charleston, WV 25301  
© 1993 Commerce Clearing House, Inc. © 2019 West Virginia Society of Certified Public Accountants  
All Rights Reserved

## 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 2019 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, 2019.<sup>1</sup>

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 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, 2018, 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. One change necessitated by the Federal Tax Cuts and Jobs Act of 2017 was for West Virginia to clarify that personal exemptions are still allowed in West Virginia, despite being eliminated for Federal tax purposes for 2018 and subsequent years.

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.

---

<sup>1</sup> 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, <https://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.wvlegislature.gov/>. 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](http://www.sos.wv.gov) by clicking on "CSR Search" under "Popular Resources".

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

January 14, 2020

## ACKNOWLEDGMENT

The editor would like to acknowledge the assistance of Commerce Clearing House (CCH) in allowing the West Virginia Society of Certified Public Accountants to use the *1993 West Virginia Tax Guide* published by them as a starting point for this publication. We are also grateful to Kevin R. Waldo, Esq. who was instrumental in obtaining the assistance of Commerce Clearing House. The 1993 publication was edited by Harry P. Henshaw III with the assistance of the West Virginia University College of Law, and a number of other persons, including the writers who participated in that undertaking. While there have been many changes in West Virginia's tax laws since 1993, being able to use the 1993 CCH publication as a starting point is very much appreciated by writers who prepared the **2020 Guidebook to West Virginia Taxes** and ensuing editions.

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.

# TABLE OF CONTENTS

*The text of each Chapter is preceded by a detailed listing of the contents of the chapter.*

	Page
<b>Introductory Materials</b>	
Overview .....	2
Preface .....	3
Acknowledgement.....	4
Table of Contents.....	5
Table of State Tax Department Publications.....	18
Administration and Personnel .....	21
State Tax Department Office Locations .....	24
Tax Rates .....	26
 <b>Chapter 1 – Corporation Net Income Tax.....</b>	 <b>1-1</b>
¶ Introduction .....	1-2
¶ 102 Taxable Corporations .....	1-3
¶ 103 Exempt Corporations.....	1-7
¶ 104 Definition of “Taxable Income”.....	1-8
¶ 105 Increasing Adjustments to Federal Taxable Income.....	1-9
¶ 106 Decreasing Adjustments to Federal Taxable Income .....	1-11
¶ 107 Direct Allocation of Certain Items of Nonbusiness Income .....	1-18
¶ 108 Apportionment by Three-Factor Formula (With Double-Weighted Sales) .....	1-20
¶ 109 Special Apportionment for Motor Carriers .....	1-25
¶ 110 Special Apportionment for Financial Organizations.....	1-26
¶ 111 Rate of Tax.....	1-29
¶ 112 Accounting Periods and Methods.....	1-29
¶ 113 Credits Against Tax .....	1-30
¶ 114 Returns and Payment of Tax.....	1-32
¶ 115 Business Activities Report .....	1-35
¶ 116 Estimated Tax .....	1-37
¶ 117 Combined Reporting .....	1-37
¶ 118 Consolidated Returns .....	1-43
¶ 119 Nonresident Shareholder Withholding .....	1-44
¶ 120 Composite Nonresident Personal Income Tax Return .....	1-46
¶ 121 Recordkeeping Requirements .....	1-46
¶ 122 Procedure and Administration .....	1-46
Index – Chapter 1 – Corporation Net Income Tax.....	1-48
 <b>Chapter 2 – Business Franchise Tax.....</b>	 <b>2-1</b>
¶ 201 Introduction.....	2-2
¶ 202 Taxpayers Subject to Tax.....	2-2
¶ 203 Exemptions from Tax .....	2-3
¶ 204 Tax Levied on Capital.....	2-5

¶ 205 Apportionment by Three-Factor Formula .....	2-8
¶ 206 Special Apportionment for Financial Organizations .....	2-11
¶ 207 Rate of Tax.....	2-14
¶ 208 Credits Against Tax .....	2-14
¶ 209 Accounting Periods and Methods.....	2-17
¶ 210 Annual Returns.....	2-18
¶ 211 Declaration and Payment of Estimated Tax .....	2-19
¶ 212 Return Requirements .....	2-19
¶ 213 Records .....	2-20
¶ 214 Business Activities Report.....	2-20
¶ 215 General Procedure and Administration .....	2-21
¶ 216 Specimen Return – Combined Corporation Net Income/Business Franchise Tax Return – Form WV/CNF-120 .....	2-21
Index -- Chapter 2 -- Business Franchise Tax.....	2-22

### **Chapter 3. Tax Incentives for Businesses Development ..... 3-6**

¶ 301 ECONOMIC OPPORTUNITY CREDIT.....	3-6
¶ 301.1 Introduction.....	3-6
¶ 301.3 Amount of the Credit .....	3-7
¶ 301.4 Eligible Investment .....	3-7
¶ 301.5 Qualified Investment.....	3-9
¶ 301.6 New Jobs Percentage .....	3-9
¶ 301.7 “New Employee” Defined.....	3-10
¶ 301.8 Application of the Credit .....	3-11
¶ 301.10 Certified Projects .....	3-11
¶ 301.11 Forfeiture and Redetermination of the Credit .....	3-12
¶ 301.12 Recapture Tax.....	3-12
¶ 301.13 Recordkeeping Requirements.....	3-13
¶ 301.14 Filing Requirements .....	3-13
¶ 301.15 Economic Opportunity Tax Credit for “Small Business” .....	3-13
¶ 301.16 Economic Opportunity Credit for Corporate Headquarters Relocation .....	3-14
¶ 301.17 Economic Opportunity Tax Credit for High Technology Manufacturers .....	3-14
¶ 301.18 Economic Opportunity Tax Credit for Jobs Creation .....	3-16
¶ 302 MANUFACTURING INVESTMENT CREDIT.....	3-17
¶ 302.1 Introduction.....	3-17
¶ 302.2 Eligible Taxpayers .....	3-17
¶ 302.3 Eligible Investment .....	3-18
¶ 302.4 Amount of the Credit .....	3-19
¶ 302.5 Qualified Investment.....	3-19
¶ 302.6 Application of the Credit .....	3-20
¶ 302.7 Forfeiture and Redetermination of Credits.....	3-20
¶ 302.8 Filing for the Credit .....	3-20
¶ 303 MANUFACTURING PROPERTY TAX CREDIT ADJUSTMENT .....	3-21
¶ 303.1 Introduction.....	3-21
¶ 303.2 Eligible Taxpayers .....	3-21
¶ 303.3 Amount of the Credit .....	3-22
¶ 303.4 Application of the Credit .....	3-22

¶ 303.5 Filing for the Credit .....	3-22
¶ 304 INDUSTRIAL EXPANSION AND REVITALIZATION CREDIT FOR ELECTRIC POWER PRODUCERS.....	3-22
¶ 304.1 Introduction.....	3-22
¶ 304.2 Eligible Taxpayers .....	3-22
¶ 304.3 Eligible Investment .....	3-22
¶ 304.4 Amount of the Credit .....	3-23
¶ 304.5 Application of the Credit .....	3-23
¶ 304.6 Forfeiture and Redetermination of the Credit .....	3-23
¶ 304.7 Example of the Industrial Expansion and Revitalization Credit for Electric Power Producers.....	3-24
¶ 305 COAL LOADING FACILITY CREDIT .....	3-24
¶ 305.1 Introduction.....	3-24
¶ 305.2 Eligible Taxpayers .....	3-24
¶ 305.3 Eligible Investment .....	3-24
¶ 305.4 Amount of the Credit .....	3-25
¶ 305.5 Application of the Credit .....	3-25
¶ 305.6 Forfeiture and Redetermination of the Credit .....	3-26
¶ 306 STRATEGIC RESEARCH AND DEVELOPMENT TAX CREDIT .....	3-26
¶ 306.1 Introduction.....	3-26
¶ 306.2 Eligible Taxpayers .....	3-26
¶ 306.3 Qualified Research and Development Activities.....	3-26
¶ 306.4 Eligible Investment .....	3-27
¶ 306.5 Amount of the Credit .....	3-28
¶ 306.6 Application of the Credit .....	3-28
¶ 306.7 Refundable Credit for Small Qualified Research and Development Company.....	3-29
¶ 306.8 Forfeiture and Redetermination of the Credit .....	3-29
¶ 306.9 Transfer of Qualified Research and Development Property to Successors...	3-29
¶ 306.10 Filing Requirements .....	3-30
¶ 307 HIGH GROWTH BUSINESS INVESTMENT TAX CREDIT .....	3-30
¶ 307.1 Introduction.....	3-30
¶ 307.2 Eligible Taxpayers .....	3-30
¶ 307.3 Eligible Investment .....	3-30
¶ 307.4 Amount of the Credit .....	3-31
¶ 307.5 Application of the Credit .....	3-31
¶ 307.6 Filing for the Credit.....	3-32
¶ 308 TOURISM DEVELOPMENT CREDIT/ PROFESSIONAL SERVICES DESTINATION FACILITY CREDIT .....	3-32
¶ 308.1 Introduction.....	3-32
¶ 308.2 Eligible Taxpayers – Tourism Development Credit.....	3-32
¶ 308.3 Tourism Development Project .....	3-33
¶ 308.4 Application and Approval Process for Tourism Development Project.....	3-34
¶ 308.5 Agreement between West Virginia Development Office and Approved Company for Tourism Development Credit .....	3-35
¶ 308.6 Amount of the Tourism Development Credit and Tourism Development Project Expansion Credit.....	3-35

¶ 308.7 Application of the Tourism Development Project Credit or Tourism Development Expansion Project Credit.....	3-36
¶ 308.8 Eligible Taxpayer – Professional Services Destination Facility Credit .....	3-36
¶ 308.9 Qualified Investment – Professional Services Destination Facility Credit .....	3-37
¶ 308.10 Certified Multiple Year Projects – Professional Services Destination Facility Credit.....	3-38
¶ 308.11 New Jobs and New Job Compensation Requirements – Professional Services Destination Facility Credit.....	3-38
¶ 308.12 Amount of Credit – Professional Services Destination Facility Credit.....	3-38
¶ 308.13 Application of the Credit – Professional Services Destination Facility Credit.....	3-39
¶ 308.14 Application and Approval Process for Professional Services Destination Facility Credit .....	3-40
¶ 308.15 Agreement between the West Virginia Development Office and the Eligible Company for the Professional Services Destination Facility Credit .....	3-40
¶ 308.16 Filing of Annual Information Form with West Virginia Tax Department – Professional Services Destination Facility Credit .....	3-41
¶ 308.17 Certified Follow-Up Project Expansion Credit – Professional Services Destination Facility Credit.....	3-41
¶ 308.18 Forfeiture of Tax Credits and Credit Recapture for Tourism Development Credit and Professional Services Destination Facility Credit.....	3-42
¶ 308.19 Annual Reporting-Tourism Development Credit and Professional Services Destination Facility Credit.....	3-42
¶ 308.20 Transferability to Successor .....	3-43
¶ 308.21 Termination of the Tax Credit Program .....	3-43
¶ 309 ENVIRONMENTAL AGRICULTURAL EQUIPMENT TAX CREDIT .....	3-43
¶ 309.1 Introduction.....	3-43
¶ 309.2 Eligible Taxpayers .....	3-43
¶ 309.3 Qualified Agricultural Equipment and Structures .....	3-44
¶ 309.4 Amount of the Credit .....	3-44
¶ 309.5 Application of the Credit .....	3-44
¶ 309.6 Filing Requirements .....	3-44
¶ 310 HISTORIC REHABILITATED BUILDINGS INVESTMENT CREDIT.....	3-45
¶ 310.1 Introduction.....	3-45
¶ 310.2 Eligible Taxpayers .....	3-45
¶ 310.3 Eligible Investment .....	3-45
¶ 310.4 Amount of Credit .....	3-45
¶ 310.3 Application of the Credit .....	3-45
¶ 310.4 Filing Requirements .....	3-45
¶ 311 RESIDENTIAL HISTORIC REHABILITATED BUILDINGS INVESTMENT CREDIT .....	3-46
¶ 311.1 Introduction.....	3-46
¶ 311.2 Eligible Taxpayers .....	3-46
¶ 311.3 Eligible Investment .....	3-46
¶ 311.4 Amount of Credit .....	3-46
¶ 311.5 Application of the Credit .....	3-46
¶ 311.6 Filing Requirements .....	3-46



¶ 312 NEIGHBORHOOD INVESTMENT CREDIT .....	3-47
¶ 312.1 Introduction.....	3-47
¶ 312.2 Eligible Taxpayers .....	3-47
¶ 312.3 Eligible Contributions.....	3-47
¶ 312.4 Eligible Project Plans.....	3-47
¶ 312.5 Amount of Credit .....	3-47
¶ 312.6 Application of the Credit .....	3-47
¶ 312.7 Termination Date.....	3-48
¶ 312.8 Filing for the Credit .....	3-48
¶ 313 APPRENTICESHIP TAX TRAINING CREDITS .....	3-48
¶ 313.1 Introduction.....	3-48
¶ 313.2 Eligible Taxpayers .....	3-49
¶ 313.3 Amount of Credit .....	3-49
¶ 313.4 Application of the Credit .....	3-49
¶ 314 INTENTIONALLY LEFT BLANK	
¶ 315 RESIDENTIAL SOLAR ENERGY TAX CREDIT .....	3-49
¶ 315.1 Introduction.....	3-49
¶ 315.2 Eligible Taxpayers .....	3-50
¶ 315.3 Amount of the Credit .....	3-50
¶ 316 NONFAMILY ADOPTION CREDIT .....	3-50
¶ 316.1 Introduction.....	3-50
¶ 316.2 Eligible Taxpayers .....	3-50
¶ 316.3 Amount of the Credit .....	3-50
¶ 317 COMMERCIAL PATENT INCENTIVES CREDIT .....	3-50
¶ 317.1 Introduction.....	3-50
¶ 317.2 Eligible Taxpayers .....	3-51
¶ 317.3 Amount of the Credit .....	3-52
¶ 317.4 Application of the Credit .....	3-53
¶ 317.5 Transfer of the Credit to Successors .....	3-53
¶ 317.6 Recordkeeping .....	3-53
¶ 317.7 Filing Requirements.....	3-56
¶ 318 INNOVATIVE MINE SAFETY TECHNOLOGY TAX CREDIT.....	3-56
¶ 318.1 Introduction.....	3-56
¶ 318.2 Eligible Taxpayers .....	3-56
¶ 318.3 Eligible Investment .....	3-56
¶ 318.4 Qualified Investment.....	3-58
¶ 318.5 Amount of the Credit .....	3-58
¶ 318.6 Application of the Credit .....	3-58
¶ 318.7 Filing Requirements .....	3-59
¶ 318.8 Forfeiture of Credit .....	3-59
¶ 318.9 Transfer of Credit to Successors .....	3-59
¶ 318.10 Recordkeeping Requirements.....	3-59
¶ 318.11 Disclosure of Tax Credit Claimants .....	3-60
¶ 319 ALTERNATIVE-FUEL MOTOR VEHICLE TAX CREDIT.....	3-60
¶ 319.1 Introduction.....	3-60
¶ 319.2 Eligible Taxpayers .....	3-60
¶ 319.3 Amount of Credit .....	3-61

¶ 319.4 Application of the Credit .....	3-62
¶ 319.5 Recapture of the Credit .....	3-63
¶ 320 ENERGY INTENSIVE INDUSTRIAL CONSUMERS REVITALIZATION TAX CREDIT .....	3-63
¶ 320.1 Introduction.....	3-63
¶ 320.2 Eligible Taxpayers .....	3-63
¶ 320.3 Amount of the Credit .....	3-63
¶ 320.4 Applicability to Minimum Severance Tax .....	3-64
¶ 320.5 Required Payment by Coal Producer to Electric Public Utility .....	3-64
¶ 320.6 Notification and Exchange of Information Between Parties .....	3-64
¶ 320.7 Expiration of Tax Credit Program .....	3-64
¶ 321 RECLAMATION TAX CREDIT .....	3-65
¶ 321.1 Introduction.....	3-65
¶ 321.2 Eligible Taxpayers .....	3-65
¶ 321.3 Amount of the Credit .....	3-65
¶ 321.4 Filing Requirements .....	3-65
¶ 321.5 Application of the Credit .....	3-66
¶ 322 <i>MILITARY INCENTIVE CREDIT</i> .....	3-66
¶ 322.1 Introduction.....	3-66
¶ 322.2 Eligible TaxPayers.....	3-66
¶ 322.3 Amount of Credit .....	3-66
¶ 322.4 Application of the Credit .....	3-66
¶ 323 NATURAL GAS JOBS RETENTION ACT CREDIT.....	3-67
¶ 323.1 Introduction.....	3-67
¶ 323.2 Eligible Taxpayers .....	3-67
¶ 323.3 Amount of the Credit .....	3-67
¶ 323.4 Application of the Credit .....	3-67
¶ 324 TELEPHONE UTILITIES RATE REDUCTION CREDIT .....	3-67
¶ 324.1 Introduction.....	3-67
¶ 324.2 Eligible Taxpayers .....	3-67
¶ 324.3 Amount of the Credit .....	3-68
¶ 324.4 Application of the Credit .....	3-68
¶ 324.5 Filing Requirements .....	3-68
¶ 325 ELECTRIC AND NATURAL GAS UTILITIES RATE REDUCTION CREDIT ....	3-68
¶ 325.1 Introduction.....	3-68
¶ 325.2 Eligible Taxpayers .....	3-68
¶ 325.3 Amount of the Credit .....	3-68
¶ 325.4 Application of the Credit .....	3-69
¶ 325.5 Filing Requirements .....	3-69
¶ 326 WEST VIRGINIA FARM-TO-FOOD BANK TAX CREDIT.....	3-69
¶ 326.1 Findings.....	3-69
¶ 326.2 Definitions.....	3-69
¶ 326.3 Amount of credit; limitation of credit .....	3-70
¶ 326.4 Determination of value of credit.....	3-70
¶ 326.5 Legislative rules.....	3-70
¶ 326.6 Tax credit review report.....	3-71
INDEX -- CHAPTER 3 – TAX INCENTIVES FOR BUSINESS DEVELOPMENT .....	3-71

<b>Chapter 4 – Noncorporate Income Taxes.....</b>	<b>4-1</b>
Chapter 4 .....	4-1
¶ 401 Individual Income Taxes.....	4-3
¶ 401.1 Introduction.....	4-3
¶ 401.2 Basis of Tax.....	4-4
¶ 401.3 Tax year, Accounting Periods and Methods.....	4-4
¶ 401.4 Modifications Increasing Federal Adjusted Gross Income.....	4-5
¶ 401.5 Modifications Decreasing Federal Adjusted Gross Income .....	4-7
¶ 401.6 Low income earned income exclusion.....	4-13
¶ 401.7 Other Modifications to Federal Adjusted Gross Income .....	4-14
¶ 401.8 West Virginia Adjusted Gross Income of Nonresident Individual.....	4-14
¶ 401.9 West Virginia Adjusted Gross Income -- Part-Year Resident .....	4-18
¶ 401.10 West Virginia Taxable Income.....	4-20
¶ 401.11 Personal Exemptions of Resident and Nonresident Individuals .....	4-20
¶ 401.12 “Resident” and “Nonresident” Defined.....	4-21
¶ 401.13 Rate of Tax.....	4-23
¶ 401.14 Resident Partners.....	4-24
¶ 401.15 Nonresident Partners.....	4-25
¶ 401.16 Resident Shareholders of S Corporations .....	4-26
¶ 401.17 Nonresident Shareholders of S Corporations .....	4-27
¶ 401.18 Share of resident estate or trust beneficiary fiduciary adjustment .....	4-28
¶ 401.19 Nonresident Beneficiary Share of W. Va. Source Income of Estate or Trust.....	4-28
¶ 401.20 Computation of Tax on West Virginia Source Income of Nonresidents .....	4-30
¶ 401.21 Computation of Tax of Part-Year Resident.....	4-30
¶ 401.22 Declarations of Estimated Tax.....	4-30
¶ 401.23 Payment of Estimated Tax .....	4-31
¶ 401.24 Amount of Estimated Tax Payments .....	4-33
¶ 401.25 Additions to Tax for Underpayment of Estimated Tax .....	4-34
¶ 401.26 Returns and Liabilities .....	4-37
¶ 401.27 Income Taxes of Members of Armed Forces on Death .....	4-40
¶ 401.28 Composite Returns.....	4-40
¶ 401.29 Signing of Returns and Other Documents.....	4-40
¶ 401.30 When Amended Return Required .....	4-42
¶ 401.31 Report of Change in Federal Taxable Income.....	4-42
¶ 401.32 Change of Election .....	4-42
¶ 401.33 Payment of Tax .....	4-43
¶ 401.34 Method of Paying Tax Due .....	4-43
¶ 401.35 Extension of Time to File Declaration of Estimated Tax or Or Annual Return .....	4-44
¶ 401.36 Extension of Time to Pay Tax.....	4-44
¶ 401.37 Minimum Tax.....	4-45
¶ 401.38 Credit for Taxes Paid to Other States.....	4-45
Kentucky.....	4-47
Maryland.....	4-47
Ohio.....	4-48

Pennsylvania .....	4-48
Virginia .....	4-49
¶ 401.39 Senior Citizens' and Disabled Persons Tax Credit for Property Taxes.....	4-50
¶ 401.40 Low Income Refundable Credit -- Property Taxes Paid on Homestead .....	4-51
¶ 401.41 Senior Citizen Property Tax Relief for Tax Years Beginning Before 2012.....	4-53
¶ 401.42 Low-income Family Tax Credit .....	4-58
¶ 401.43 Other Credits against Tax.....	4-58
¶ 402 Withholding Taxes .....	4-59
¶ 402.1 Withholding of Income Tax by Employers .....	4-59
¶ 402.2 Duties of Employers With Respect to Withholding Taxes .....	4-60
¶ 402.3 Information Statement for Employee (Form W-2) .....	4-61
¶ 402.4 Employer's Liability for Withheld Taxes .....	4-62
¶ 402.5 Employer's Failure to Withhold.....	4-62
¶ 402.6 Withholding Tax on West Virginia Source Income Distributable to Nonresident Partners, S Corporation Shareholders, Estate and Trust Beneficiaries.....	4-62
¶ 402.7 Credit for Withheld Taxes .....	4-63
¶ 402.8 Withholding Tax When West Virginia Real Property Sold by Nonresident ....	4-63
¶ 402.9 Withholding Tax on Certain Lottery Winnings.....	4-67
¶ 403 Estate And Trust Income Taxes .....	4-69
¶ 403.1 In General.....	4-69
¶ 403.2 Resident and Nonresident Estate or Trust.....	4-69
¶ 403.3 West Virginia Source Income of Nonresident Estate or Trust.....	4-69
¶ 403.4 Charitable Deductions .....	4-71
¶ 403.5 West Virginia Taxable Income of Resident Estate of Trust.....	4-71
¶ 403.6 Lump Sum Distribution .....	4-72
¶ 403.7 Fiduciary Adjustment.....	4-72
¶ 403.8 Exemption for Estates or Trusts .....	4-73
¶ 403.9 Rate of Tax.....	4-73
¶ 403.10 Computation of Tax on Income of Nonresident Estates and Trusts .....	4-73
¶ 403.11 West Virginia Source Income of Nonresident Estate or Trust.....	4-74
¶ 403.12 Share of Nonresident Estate, Trust or Beneficiary In W. Va. Source Income.....	4-74
¶ 403.13 Fiduciary Income Tax Returns.....	4-75
¶ 403.14 Resident and Nonresident Qualified Funeral Trust.....	4-76
¶ 403.15 Resident and Non-resident Electing Small Business Trusts (ESBT) .....	4-77
¶ 403.16 Estate and trusts - declaration and payment of estimated taxes .....	4-77
¶ 404 Partnership Returns .....	4-78
¶ 404.1 Filing Requirements .....	4-78
¶ 404.2 Partnership Income and Deductions .....	4-78
¶ 404.3 "Resident" and "Nonresident" Partnership Defined.....	4-78
¶ 404.4 Direct Allocation of Income and Deductions -- in General .....	4-79
¶ 404.5 Allocation and Apportionment -- Multistate Businesses.....	4-79
¶ 404.6 Special Allocations Between Partners.....	4-82
¶ 404.7 Modifications of Federal Adjusted Gross Income .....	4-83
¶ 404.8 Exemptions and Credits .....	4-84
¶ 405 S Corporation Returns.....	4-84

¶ 405.1 Summary and Filing Requirements .....	4-84
¶ 405.2 “Resident” and “Nonresident” S Corporations Defined .....	4-84
¶ 405.3 S Corporation Income and Deductions.....	4-85
¶ 405.4 Direct Allocation of Nonbusiness income and Deductions.....	4-85
¶ 405.5 Allocation and Apportionment of Business Income and Deductions.....	4-85
¶ 405.6 Modifications of Federal Adjusted Gross Income .....	4-85
¶ 405.7 Exemptions and Credits .....	4-86
¶ 406 Procedure And Administration.....	4-86
¶ 406.1 Procedure and Administration .....	4-86
¶ 406.2 Overpayments of West Virginia Income Taxes.....	4-86
¶ 406.3 Interest and Additions to Tax.....	4-87
¶ 406.4 Penalties for abusive tax shelters and failure to report listed transactions ....	4-87
¶ 406.5 Innocent Spouse Relief .....	4-88
¶ 406.6 Forms and Schedules.....	4-89
¶ 406.7 Place for Filing Returns and Other Documents .....	4-91
¶ 406.8 State Tax Department Publications .....	4-93
¶ 406.9 State Tax Department Rules and Regulations .....	4-94
Index – Chapter 4 – Noncorporate Income Tax .....	4-95

<b>Chapter 5 – Consumer Sales and Service Tax and Use Tax .....</b>	<b>5-1</b>
¶ 501 History of the Sales Tax and the Use Tax .....	5-2
¶ 502 Overview of the Sales Tax.....	5-4
¶ 503 Overview of the Use Tax .....	5-5
¶ 504 “Sale” Defined .....	5-5
¶ 505 “Use” Defined .....	5-5
¶ 506 “Gross Proceeds,” “Purchase Price” and “Sales Price” Defined .....	5-5
¶ 507 Sales to Related Parties.....	5-7
¶ 508 Rates of the Sales Tax .....	5-7
¶ 509 Rates of the Use Tax.....	5-8
¶ 510 Tax on Motor Vehicles.....	5-8
¶ 511 Per Se Exemptions.....	5-9
¶ 512 Exemptions for Which Exemption Certificate is Required .....	5-17
¶ 513 Records of Using Exemption Certificates .....	5-20
¶ 514 Refundable Exemptions .....	5-21
¶ 515 Agents and Contractors Assertion of Principal's Exemption.....	5-24
¶ 516 Methods for Claiming Refundable Exemptions (Refund or Credit) .....	5-25
¶ 517 Direct Pay Permits.....	5-26
¶ 518 Materials Produced or Manufactured By a Contractor.....	5-26
¶ 519 Apportionment.....	5-27
¶ 520 Use Tax Exemptions .....	5-27
¶ 521 Credit Against the Use Tax for Sales Tax Paid to Another State.....	5-28
¶ 522 Collection of the Sales Tax.....	5-28
¶ 523 Collection of the Use Tax .....	5-28
¶ 524 Bond Required of Nonresident Contractors for Payment of Use Tax .....	5-29
¶ 525 Collection of Use Tax from Certain Out-of-State Volume Retailers .....	5-30
¶ 526 Vendor Liability for the Sales Tax.....	5-31
¶ 527 Consumer Liability for the Sales Tax.....	5-32

¶ 528 Liability for the Use Tax.....	5-32
¶ 529 General Transaction Sourcing Rules.....	5-32
¶ 530 Sale of Entire Business .....	5-33
¶ 531 Drop Shipments.....	5-33
¶ 532 Bundled Transactions.....	5-34
¶ 533 Sales Tax or Use Tax Cannot Be Assumed by Vendor.....	5-34
¶ 534 Gasoline and Special Fuel.....	5-34
¶ 535 Sales Tax Returns.....	5-35
¶ 536 Use Tax Returns .....	5-35
¶ 537 Maintenance of Records.....	5-35
¶ 538 Officer's Liability and Penalties.....	5-36
¶ 539 Procedure and Administration .....	5-36
¶ 540 Miscellaneous Examples of the Sales Tax and the Use Tax.....	5-36
¶ 541 Local Sales and Use Taxes.....	5-41
¶ 542 Sales Tax And Use Tax Forms.....	5-43
Index – Chapter 5 – Consumers Sales And Use Taxes .....	5-44

<b>Chapter 6 – Property Tax.....</b>	<b>6-1</b>
¶ 601 Introduction.....	6-2
¶ 602 Property Subject to Tax.....	6-2
¶ 603 Exemptions--In General.....	6-3
¶ 604 Special Methods of Valuation .....	6-8
¶ 605 Exemptions--Strictly Construed .....	6-9
¶ 606 Classification and Rates.....	6-10
¶ 607 Assessment -In General.....	6-11
¶ 608 Assessment--Residential, Farm Property And Managed Timberland.....	6-14
¶ 609 Assessment--Real Property.....	6-15
¶ 610 Assessment--Personal Property.....	6-17
¶ 611 Assessment-- Public Utility Property .....	6-17
¶ 612 Valuation--Public Utility Property .....	6-18
¶ 613 Valuation--Coal.....	6-19
¶ 614 Valuation--Producing and Reserve Oil and Natural Gas Properties.....	6-21
¶ 615 Valuation--Timberland .....	6-24
¶ 616 Valuation--Other Active Natural Resources.....	6-25
¶ 617 Valuation--Commercial and industrial Real Property.....	6-27
¶ 618 Valuation--Commercial and Industrial Personal Property.....	6-30
¶ 619 Valuation--Unsold Lots Contained in a Recorded Plan or Plat .....	6-33
¶ 620 Valuation--Vehicles, Watercraft, Aircraft and Heavy Equipment Rental Inventory .....	6-34
¶ 621 Return of Property .....	6-35
¶ 622 Procedure for Contesting Tax.....	6-37
¶ 623 Exonerations .....	6-46
¶ 624 Constitutional Issue Remaining after SB 401 .....	6-46
¶ 625 Payment of Tax .....	6-47
¶ 626 Lien for Tax .....	6-47
¶ 627 Property Tax Issues in Bankruptcy.....	6-48
¶ 628 Property Tax Records: Freedom of Information Act .....	6-48

¶ 629 Specimen Return-Business Property Return-STC 12:32C.....	6-51
Calendar for Assessment and Collection of 2018 Property Taxes .....	6-57
INDEX - CHAPTER 6 - PROPERTY TAX .....	6-63

<b>Chapter 7 – Severance Tax.....</b>	<b>7-1</b>
¶ 701 Introduction.....	7-2
¶ 702 Persons Subject to Tax .....	7-3
¶ 703 Value Subject to Tax – Generally .....	7-4
¶ 704 Value Subject to Tax – Timber .....	7-6
¶ 705 Value Subject to Tax – Oil and Gas .....	7-6
¶ 706 Value Subject to Tax – Mining.....	7-8
¶ 707 Value Subject to Tax – Limestone and Sandstone.....	7-9
¶ 708 Rates of Tax .....	7-9
¶ 709 Waste Coal and River Coal .....	7-10
¶ 710 Credits Against Tax .....	7-10
¶ 711 Minimum Severance Tax on Coal .....	7-11
¶ 712 Additional Severance Tax on Coal, Gas and Timber Producers .....	7-12
¶ 713 Special Reclamation Tax on Coal Production for Special Reclamation Fund ..	7-12
¶ 714 Special Tax on Coal Production for Mines and Minerals Operations Fund .....	7-12
¶ 715 Accounting Periods and Methods.....	7-13
¶ 716 Records .....	7-13
¶ 717 Returns and Payments of Tax.....	7-14
¶ 718 Bond.....	7-14
¶ 719 Agreement for Processor to Pay Tax .....	7-15
¶ 720 Procedure and Administration .....	7-15
¶ 721 Collection of Tax by Purchaser of Natural Gas.....	7-15
¶ 722 Reports by Persons Severing Natural Gas.....	7-15
¶ 723 Nonresidents Severing Timber .....	7-16
¶ 724 Example – Taxes on privilege of producing coal .....	7-16
¶ 725 Severance Tax Returns.....	7-16
INDEX – CHAPTER 7 – SEVERANCE TAX .....	7-18

<b>Chapter 8 – Estate Taxes.....</b>	<b>8-1</b>
--------------------------------------	------------

<b>Chapter 9 – Procedure and Administration .....</b>	<b>9-1</b>
¶ 901 Introduction.....	9-1
¶ 902 Overview of Tax Procedure Act.....	9-2
¶ 903 Statements of Administrative Positions .....	9-3
¶ 904 Filing Returns and Paying Taxes.....	9-4
¶ 905 Confidentiality and Disclosure of Information .....	9-6
¶ 906 Audit Selection and Procedure .....	9-8
¶ 907 Assessments .....	9-9
¶ 908 Administrative Protest and Hearings .....	9-10
¶ 909 Appeals .....	9-14
¶ 910 Refunds and Credits of Overpayments .....	9-19
¶ 911 Time Limitations .....	9-20
¶ 912 Collection of Tax--In General.....	9-20

¶ 913 Collection of Tax-Liens .....	9-22
¶ 914 Collection of Tax-Levy .....	9-23
¶ 915 Interest, Additions to Tax and Penalties .....	9-25
¶ 916 Criminal Penalties .....	9-28
¶ 917 Specimen Documents .....	9-30
Index – Chapter 9 – Tax Procedure And Administration .....	9-31

<b>Chapter 10 – Miscellaneous Taxes .....</b>	<b>10-1</b>
¶ 1001 Business Registration Tax .....	10-2
¶ 1002 Corporate Tax On Excess Acreage.....	10-5
¶ 1003 Corporate License Tax.....	10-5
¶ 1004 Motor Carrier Road Tax .....	10-6
¶ 1005 Motor Fuel Excise Tax .....	10-6
¶ 1006 Telecommunications Tax .....	10-8
¶ 1007 Business and Occupation Tax - Tax on Utilities .....	10-9
¶ 1008 Business and Occupation Tax - Tax on Natural Gas Storage .....	10-10
¶ 1009 Business and Occupation Tax - Electricity .....	10-10
¶ 1010 Tobacco Products Excise Taxes .....	10-11
¶ 1011 Soft Drinks Excise Tax.....	10-13
¶ 1012 Excise Tax on Transfer Of Real Property.....	10-15
¶ 1013 Health Care Provider Taxes.....	10-18
¶ 1014 Severance and Business Privilege Tax – Behavioral Health Service Providers .....	10-20
¶ 1015 Unemployment Compensation Tax.....	10-21
¶ 1016 Municipal Taxes .....	10-22
¶ 1016.1. Hotel occupancy tax .....	10-23
¶ 1016.2. Property taxes .....	10-23
¶ 1016.3. Municipal license taxes.....	10-24
¶ 1016.4. Business and occupation or privilege taxes.....	10-24
¶ 1016.5. Public utilities tax.....	10-26
¶ 1016.6. Amusement taxes.....	10-26
¶ 1016.7. Tax on purchases of intoxicating liquors and private club fees .....	10-27
¶ 1016.8. License tax on horse and dog racing.....	10-27
¶ 1016.9. Motor vehicle operator's tax .....	10-27
¶ 1016.10. Domestic animal tax .....	10-27
¶ 1016.11. User fees .....	10-28
¶ 1016.12. Pension relief municipal occupation tax.....	10-28
¶ 1016.13. Pension relief municipal sales and use tax.....	10-29
¶ 1016.14. Alternative municipal sales and use tax.....	10-30
¶ 1016.15. Pilot program to increase home rule powers of municipalities.....	10-30
¶ 1017. Consumer Fireworks .....	10-31
¶ 1018. Medical Cannabis .....	10-31
Index – Chapter 10 -- Miscellaneous Taxes .....	10-33

<b>Chapter 11 – Unclaimed Property .....</b>	<b>11-1</b>
¶ 1101 Introduction.....	11-2
¶ 1102 Presumptions of Abandonment .....	11-4



¶ 1103 Contents of safe deposit box or other safekeeping depository .....	11-8
¶ 1104 Rules for taking custody of unclaimed property .....	11-8
¶ 1105 Dormancy charge .....	11-9
¶ 1106 Burden of proof as to property evidenced by record of check or draft .....	11-9
¶ 1107 Report of abandoned property .....	11-10
¶ 1108 Payment or delivery of abandoned property .....	11-13
¶ 1109 Notice and publication of lists of abandoned property .....	11-13
¶ 1110 Custody by State Treasurer; recovery by holder; defense of holder .....	11-14
¶ 1111 Crediting of dividends, interest and increments to owner's account .....	11-15
¶ 1112 Public sale of abandoned property .....	11-16
¶ 1113 Deposit of funds .....	11-17
¶ 1114 Claim of another state to recover property .....	11-18
¶ 1115 Filing claim with State Treasurer; handling of claims by Treasurer .....	11-18
¶ 1116 Action to establish claim .....	11-19
¶ 1117 Election to take payment or delivery .....	11-19
¶ 1118 Destruction or disposition of property having no substantial commercial value; immunity from liability .....	11-20
¶ 1119 Periods of limitation .....	11-20
¶ 1120 Requests for reports and examination of records .....	11-20
¶ 1121 Retention of records .....	11-22
¶ 1122 Enforcement .....	11-22
¶ 1123 Interstate agreements and cooperation; joint and reciprocal actions with other states .....	11-22
¶ 1124 Interest and penalties .....	11-23
¶ 1125 Records of abandoned property .....	11-24
¶ 1126 Foreign transactions .....	11-24
¶ 1127 Uniformity of application and construction .....	11-24
¶ 1128 Electronic filing; forms .....	11-24
Index – Chapter 11 – Unclaimed Property .....	11-27

## TABLE OF PUBLICATIONS WEST VIRGINIA STATE TAX DEPARTMENT

The State Tax Department publishes the following Taxpayer Services Division publications (TSD) at its website, <https://tax.wv.gov/TaxProfessionals/GuidanceAndPublications/Pages/TaxProfessionalsGuidanceAndPublications.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, 2018	Mailing Addresses
TSD-4	Rev. February, 2018	West Virginia Taxpayer Rights
TSD-100	Rev. February, 2018	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. October, 2019	Coal Severance Tax
TSD-211	Rev. February, 2018	Timber Severance Tax
TSD-300	Rev. March, 2018	Sales and Use Tax Exemptions
TSD-301	Rev. March, 2018	Sales and Use Tax for Local Governments
TSD-310	Rev. March, 2018	Capital Improvement Rule - Sales and Use Tax for Construction Trades
TSD-312	Rev. October, 2019	Sales and Use Tax for Public Schools
TSD-312A	Rev. October, 2019	Sales and Use Tax for Private Schools
TSD-314	Rev. October, 2019	Sales and Use Tax for Funeral Directors and Related Taxpayers
TSD-315	Rev. March, 2018	Sales and Use Tax for Dealers of Factory-Built Home
TSD-316	Rev. February, 2018	Sales and Use Tax for Lodging Rentals
TSD-317	Rev. March, 2018	Registration and Sales Tax for Transient Vendors
TSD-318	Rev. March, 2018	Taxation of Homeowners' Associations and Common Interest Communities
TSD-320	Rev. October, 2019	Sales and Use Tax for Nonprofit Organizations
TSD-325	Rev. March, 2018	Sales and Use Tax for Incidental Installation
TSD-330	Rev. January, 2012	Nonresident Contractors Sales and Use Tax Requirements
TSD-345	Rev. March, 2018	Sales Tax and Vendor Responsibilities
TSD-355	Rev. March, 2018	The Integrated Manufacturer/Contractor Rule
TSD-356	Rev. March, 2018	Sales and Use Tax for Motion Picture Theaters
TSD-358	Rev. July, 2008	Direct Use Concept
TSD-360	Rev. October, 2015	Registration Procedures for Business
TSD-364	Rev. March, 2018	Sales Tax for Auctioneers
TSD-365	Rev. February, 2018	How Interest and Additions to Tax Are Assessed
TSD-366	Rev. October, 2019	Sales Tax for Night Clubs, Bars, Restaurants and Similar Businesses
TSD-368	Rev. January, 2012	Sales and Use Tax and Veterinarians
TSD-369	Rev. March, 2018	Use Tax for Your Business
TSD-370	Rev. October, 2019	Sales and Use Tax on Samples for Manufacturer/Retailer
TSD-371	Rev. October, 2019	Sales and Use Tax for 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 and Agents	Rev. November, 2011	Sales and Use Tax Responsibilities of Travel Services, Agencies
TSD-377	Rev. August, 2013	Sales and Use Tax and Doctors
TSD-378	Rev. October, 2019	Sales and Use Tax for Attorneys, Dentists and Doctors
TSD-379 Providing	Rev. October, 2019	Sales and Use Tax Special Exemption for Nonprofit Organizations
		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 Reports for Employers
TSD-382	Rev. March, 1999	Commonly Asked Questions about the New Special Tax on Coal
TSD-383	Rev. November 2014	Pharmacies and Sales Tax
TSD-385	Rev. September, 1992	Partial Release of Property From State Tax Lien
TSD-385A	Rev. October, 2019	State Tax Liens
TSD-389	Rev. October, 2014	Withholding Requirements for Sales of Real Property by Nonresidents
TSD-390	Rev. December, 2007	Income Tax Withholding By Partnerships, S Corporation, Estates and Trusts
TSD-391 Nonresident Partners, S Corporation	Rev. December, 2007	General Information Regarding Income Tax Withholding For Shareholders, or Beneficiaries of Estates or Trusts
TSD-392	Rev. December, 2011	West Virginia Corporation Net Income Tax Non-business Income
TSD-393	Rev. November, 2011	West Virginia Estate Tax (for decedents dying after June 30, 1985) and Intestate Succession Law (for decedent dying after July 9, 1993)
TSD-397	Rev. 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. March, 2018	Sales Tax for Vending and Money-Operated Machines
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	Motor Fuel Excise Tax
TSD-411	Rev. February, 2019	Senior Citizens Tax Credit
TSD-412	Rev. October 2014	Voluntary Disclosure Agreements
TSD-413	Rev. February, 2019	West Virginia Tax Tips for Senior Citizens
TSD-414	Rev. March, 2005	West Virginia Sales and Use Tax Changes
TSD-415	Rev. 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. January, 2018	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 Reports for Spouses of United States Military Servicemembers
TSD-432	Rev. July, 2012	Backup Withholding from Gambling Winnings
TSD-433	Rev. September, 2017	Taxes on Boxing and Mixed Martial Arts Events Regulated by the State Athletic Commission
TSD-434	Rev. March, 2017	Sales Tax Collection Responsibilities of Florists
TSD-435	Rev. October, 2019	Short-Term Leases and Rentals of Real Property
TSD-436	Rev. September, 2018	Requests for Waiver of Electronic Filing and Payment Requirements
TSD-440	Rev. September, 2019	Pension Income of Retired Federal Law Enforcement & Federal Firefighter Personnel – <i>Dawson v. Steager</i>

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, 2019.

## **ADMINISTRATION AND PERSONNEL**

### **DEPARTMENT OF REVENUE**

Secretary of Revenue:  
Dave Hardy

Deputy Secretary:  
Mark Muchow

General Counsel and Deputy Secretary:  
Allen Prunty

Deputy General Counsel:  
Leslie Dillon

The Department of Revenue provides administrative support services and liaison with the Governor's Office for 10 agencies, boards, commissions and offices, including 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:  
Vacant

Revenue Division Director: Brianna Walker  
Tax Account Administration Division Director:  
Matthew Irby

Taxpayer Services Division Director:  
Shella Hogg

Disclosure Officer: Harry Yates Jr.

### **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) 558-3333  
(800) 982-8297  
(  
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 1<sup>st</sup> 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: <https://tax.wv.gov/Pages/default.aspx>.

## **OFFICE OF TAX APPEALS**

Chief Administrative Law Judge: A.M. "Fenway" Pollack  
Administrative Law Judge: Crystal S. Flanigan  
Executive Director and "Clerk of Court": Stephen P. Lee

The Office of Tax Appeals hears petitions for appeal 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

<https://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., 2<sup>nd</sup> 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) 256-6764  
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) 267-0022

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) 627-2109

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) 420-4570

Fax: (304) 420-4530

**Wheeling Regional Office**

40 14th Street, Suite 101

Wheeling, WV 26003

Compliance and Taxpayer Services Divisions

Phone: (304) 238-1152

Fax: (304) 238-1153

Property Tax Field Office

Phone: (304) 238-1160

Fax: (304) 238-1153

## TAX RATES

### BUSINESS FRANCHISE TAX

#### Tax rates

<b>Period</b>	<b>Tax Rate</b>
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	<b>No Tax</b>

*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

<b>Period</b>	<b>Tax Rate</b>
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, heads of households, surviving spouses:

<b>If W. Va. taxable income is:</b>	<b>The tax is:</b>
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 \$40,000
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:**

Not over \$5,000  
Over \$5,000 but not over \$12,500  
Over \$12,500 but not over \$20,000  
Over \$20,000 but not over \$30,000  
Over \$30,000

**The tax is:**

3% of the taxable income  
\$150.00 plus 4.0% of excess over \$10,000  
\$450.00 plus 4.5% of excess over \$20,000  
\$787.50 plus 6.0% of excess 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, soft drinks or food sold through vending machines.

*Motor vehicles:* Motor vehicles are subject to the 6% sales tax. 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. The wholesale price of motor fuels cannot be less than \$3.04 per gallon and the variable component of the tax per gallon may not be less than 15.2¢ per gallon of motor fuel. For calendar year 2020, 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 January 1, 2020, 46 municipalities will impose local sales and use taxes that are administered, collected and enforced by the State Tax Commissioner.\* These municipalities are:

Municipality	Municipality	Municipality
Athens	Harpers Ferry	Romney
Beckley	Harrisville	Rupert
Bluefield	Hundred	Shepherdstown
Bolivar	Huntington	Sistersville
Bridgeport	Kingwood	South Charleston
Buckhannon	Martinsburg	St. Albans
Charles Town	Milton	Thomas
Charleston	Moorefield	Vienna
Clarksburg	Moundsville	Wayne
Davis	New Cumberland	Weirton
Dunbar	Nitro	Weston
Elizabeth	Parkersburg	Wheeling
Elkins	Pennsboro	White Hall
Fairmont	Princeton	Williamstown
Follansbee	Quinwood	
Grafton	Ranson	

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%. Buckhannon, Hundred, and White Hall will begin imposing the tax on January 1, 2020.

## **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**

- \$2.75 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 additional 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 *	
Metallurgical Coal	5.00%
Steam Coal (Prior to July 1, 2019)	5.00%
Steam Coal (July 1, 2019 to June 30, 2020)	4.30%
Steam Coal (July 1, 2020 to June 30, 2021)	3.70%
Steam Coal (On or after July 1, 2021)	3.00%
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 (Prior to July 1, 2019)	5.00%
Limestone or Sandstone quarried or mined (On or after July 1, 2019)	0.00%
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%
Timber produced on or after July 1, 2019	0.00%
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)