

# WEST VIRGINIA TAX DIVISION



## WEST VIRGINIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

ANNUAL MEETING



Annual Meeting  
June 6, 2023



## Before we get started

This presentation is meant to be a source of general information and not as a substitute for tax laws, rules, or regulations and may not be relied upon as legal or tax advice or to support specific instances not addressed.

The material presented may contain simplified explanations of potentially complex legal and tax concepts so as to apply generally across broad areas of tax practice, both legal and accounting, and is intended for general overview and application.

*Individual comments by presenters are meant to be illustrative in nature and are not intended as official Tax Department policy.*

## Mission:

*Striving to act with integrity and fairness in the administration of the tax laws of West Virginia, the Tax Division's primary mission is to diligently collect and accurately assess taxes due to the State of West Virginia in support of State services and programs.*

## Core Values

- Fairness and Accountability*
- Professional and Courteous Service*
- Privacy and Confidentiality*

# Building Agency Accountability



WEST VIRGINIA  
TAX DIVISION

## TSD 4 Taxpayer Bill of Rights

*This publication outlines some of your most important rights as a West Virginia taxpayer when dealing with the West Virginia State Tax Division on state tax matters. This publication is not intended to replace provisions in the West Virginia Code, regulations or other legal precedents. It does not address local taxation or property tax issues.*

### The Right to Quality Service

Taxpayers have the right to be treated with respect when interacting with the West Virginia Tax Division. The Tax Division's goal is to respond to taxpayer questions, concerns, and complaints as quickly and accurately as possible. If you believe a Tax Division employee has not treated you in a professional, fair, and courteous manner, please request to speak to a supervisor. If the supervisor is not able to resolve the matter, you should write to the Executive Office of the Tax Commissioner at P.O. Box 11771, Charleston, WV 25339-1771.

### The Right to Privacy and Confidentiality

Taxpayers have the right to have their tax returns and other information kept secure and confidential. The WV Tax Division will not disclose taxpayer information unless authorized by the taxpayer or by law. Taxpayers have the right to expect that any State tax inquiry, examination, or enforcement action will comply with State tax laws and be no more intrusive than necessary.

### The Right to Pay No More Than the Correct Amount of Tax

Taxpayers have the right to pay no more than the amount of tax due, including interest and penalties, in accordance with the State's tax laws.

### The Right to Timely Assessment

Taxpayers have the right to know the amount of time that they have to challenge their tax liabilities or proposed tax liabilities. Taxpayers have the right to know the amount of time the Division has to audit, assess, or collect on a tax debt. Taxpayers have the right to know when the Division has completed an audit.

### The Right to Representation and Be Heard

Taxpayers have the right to retain an authorized representative, such as a CPA or an attorney, to represent them. Taxpayers also have the right to have their issue independently reviewed by a Taxpayer Advocate.

### The Right to a Fair and Just Tax System

Taxpayers have the right to expect that the State's tax system will apply tax laws equitably and consistently. Taxpayers have the right to receive assistance from the West Virginia Taxpayer Advocate if the State has not resolved their tax issues properly or timely through the normal channels.

#### For more information, you can:

- **Call** a Taxpayer Services Representative at (304)558-3333 or toll-free at (800) 982-8297
- **Email** [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- **Go Online** to [tax.wv.gov](http://tax.wv.gov)

- Taxpayer Bill of Rights
- Office of the Taxpayer Advocate
- Alternative Dispute Resolution

# Centralizing taxpayer interactions



- ❑ New Taxpayer Engagement Center
- ❑ Single Point of Contact for Agency
- ❑ Same Day Appointments

- ❑ Self-Serve Kiosks
- ❑ Shared Responsibility





# Rebranding



WEST VIRGINIA  
TAX DIVISION

2022

2023



July 2022

- TEC Door
- TSDs
- Email Division Signatures
- Business Cards (seal + "division")

Aug 2022

- Secondary Parking lot sign

Sept 2022

- Website Image
- Website Language
- PSRW water bottles

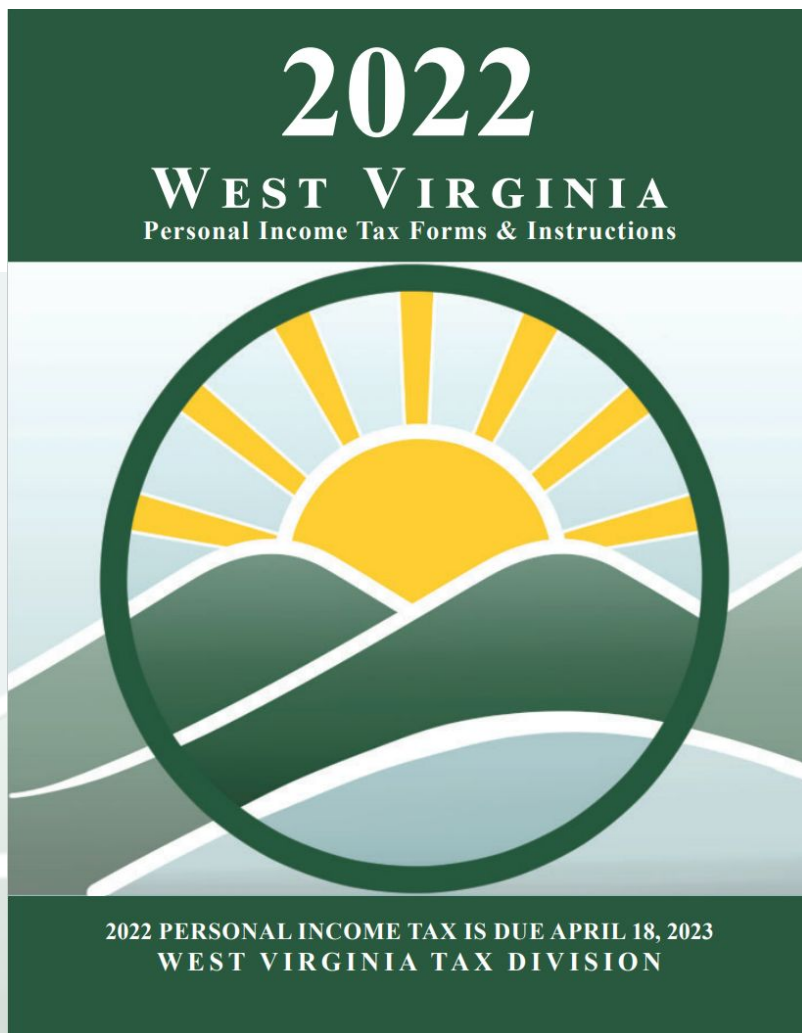
Expected 2022

- Uniform shirts and Notebooks
- Clinic/Education materials
- Building signage (internal and external)

Expected 2023

- Billing Cycle Letters
- Executive Office Letters and Email Signatures
- Letterhead and Envelopes
- Legislative Reports

# Returns and Letters



WEST VIRGINIA  
TAX DIVISION

Compliance  
P.O. Box 229  
Charleston, WV 25321

Matthew R. Irby, State Tax Commissioner

Taxpayer Name  
Address  
City, WV 12345

Letter Id: L0123456789  
Issued: 00/00/2022  
Account #: 1234-1234  
Account: Personal Inc





## STATEMENT OF ACCOUNT

The State of West Virginia hereby notifies you of tax, estimated taxes, interest and penalties due as stated on this notice. This is not a Notice of Assessment of Tax. Please refer to the reverse side of this notice for a further explanation of this liability. Payment must be made on or before the Pay By Date or additional penalties will continue to accrue. If you have any questions regarding this notice, please contact the Compliance Division at (304) 558-8753.

Periods Ending	Stage	Return Due Date	Tax	Penalty & Additions	Interest	Balance
12/31/2021	Lien & Distress Warrant	4/18/2022	\$306.00	\$9.18	\$10.06	\$325.24
Amount Due:						\$325.24

Please cut off and return with payment

Personal Income Tax		QM	
Account ID: 1234-1234		Amount Due: \$325.24	
Taxpayer Name		Pay By: 10/15/2022	
Address		Amount Enclosed: <input type="text"/>	
City WV 12345-1234			
Mail Payment To: Revenue P.O. Box 2745 - Charleston, WV 25330-2745			
For electronic payment options, please visit our website at <a href="http://www.tax.wv.gov">www.tax.wv.gov</a> .			
			
COLPYM 01080 0001111111111		L0123456789 ttL02 v.130	

# Speaking of Letters

- Approximately 2 million letters sent annually
- Approximately 100K Return Change Letters
- Looking to adjust the language to reduce confusion
  - Questions, concerns?
  - [Emily.A.Cramer@wv.gov](mailto:Emily.A.Cramer@wv.gov)



# Modernizing and Simplifying

- Partnership with AARP
- Eliminated Income tax return filing requirements for 15K+low income Senior Citizens

SCTC-A Rev. 07/2022		Senior Citizen Tax Credit	
You must use the original form issued by the Tax Division to claim this credit. Substitute forms are <b>not permitted</b> .			
<b>Part I Failure to complete all of Part I may result in no credit being issued.</b>			
SOCIAL SECURITY NUMBER	*SPOUSE'S SOCIAL SECURITY NUMBER	# OF PEOPLE LIVING IN YOUR HOUSEHOLD	
PRIME DATE OF DEATH MM DD YYYY	SPOUSE DATE OF DEATH MM DD YYYY		
<b>Part II Are you required to file a federal return?</b>			
<input type="checkbox"/> YES - To claim this credit, you <b>MUST</b> include this SCTC-A form with your completed WV IT-140. Your Federal Adjusted Gross Income reported to the IRS must meet the income guidelines for you to qualify for this credit:			
1. Enter the Federal Adjusted Gross Income of the homeowner.....			
2. Enter the income of all individuals listed as living in the household but would file a tax return separate from the Senior Citizen Tax Credit associated with this return.....			
3. Add lines 1 & 2 and enter result here. If this amount is more than the maximum income listed in the table on the next page, you do not qualify for the credit .....			
<input type="checkbox"/> NO - To claim this credit, mail this SCTC-A form without a WV IT-140 to the address on the next page. Your income, less social security benefits, must meet the income guidelines for you to qualify for this credit:			
1. Wages, salaries, tips received .....			
2. Interest and dividend income .....			
3. Alimony received .....			
4. Taxable pensions and annuities .....			
5. Unemployment compensation .....			
6. Other income (include capital gains, gambling winnings, farm income, etc.) .....			
7. Add lines 1 through 6 .....			
8. Adjustments to income (i. e. Alimony paid, IRA, etc.) .....			
9. Enter the income of all individuals listed as living in the household but would file a tax return separate from the Senior Citizen Tax Credit associated with this return .....			
10. Line 7 minus line 8 plus line 9. If this amount is more than the maximum income listed in the table on the next page, you do not qualify for the credit .....			

# Offer in Compromise Program

- Simplify and handle requests online
- Development of easy to understand criteria
- Instill more fairness into the process

# OIC – New Process Application

## Web Request Application Steps

1. Prequalify
2. Select Debt Type
3. Review TaxPayer Information
4. Select Offer In Compromise Reason
5. Include Tax Accounts and Periods
6. Offer Payment
7. Attach Supporting Documents

The screenshot displays the 'WIFE OIC' web application interface. At the top right, a yellow badge indicates 'V12 Testing'. The user's profile information is shown, including a masked phone number 'xxx-xx-1111' and the address '1234 FAKE LANE DRIVE, CHARLESTON WV 25311'. A navigation bar contains links for 'Summary', 'Action Center', 'Settings', and 'More...'. Below this is a search bar with the placeholder text 'What are you looking for?'. The main content area is divided into two columns. The left column, titled 'Help and FAQ', includes a question mark icon and text about helpful resources, with links for 'Individual Frequently Asked Questions' and 'Individual Help'. The right column, titled 'Offer in Compromise', includes a briefcase icon and text about contacting a Tax Department representative, with a link for 'Offer in Compromise' highlighted in yellow.

WIFE OIC

xxx-xx-1111

1234 FAKE LANE DRIVE  
CHARLESTON WV 25311

Summary Action Center Settings More...

What are you looking for?

**Help and FAQ**

Need more information? Here are some helpful resources to help you get things done right.

- > Individual Frequently Asked Questions
- > Individual Help

**Offer in Compromise**

Please contact a Tax Department representative about applying for an Offer in Compromise

- > Offer in Compromise

# Prequalification

## Prequalification

1. NO open Bankruptcy
2. ALL required Tax returns filed.
3. Disclose the amount of loan
4. All required estimated Tax Payments have been made, if applicable.

Intro Prequalification

V12 Testing

Offer In Compromise Pre-Qualifier

Are you in an open bankruptcy proceeding?

Have you filed all required federal and state tax returns?

Have you previously received a loan?

If applicable, have you made all required estimated tax payments.

Are you currently working with the Office of Taxpayer Advocacy?

NOTE: Prequalifying is not a guarantee of acceptance of this Offer in Compromise application.

1

You are not eligible to proceed for an offer in compromise because:

You do not meet one or more of the following prequalifications

> You have not filed all required tax returns

## Debt Type

< WIFE OIC

### Offer in Compromise Application

indoic  
indoic@gmail.com

#### Offer in Compromise Application

Intro Prequalification   Offer in Compromise Instructions   **Offer in Compromise Filed For Debt Type**

☒ Please mark which type of debt your Offer in Compromise is intended to be filed for

*You cannot submit an offer in compromise addressing both Individual and Business debt.*

**If needed, please submit separate Offer in Compromise applications to address the different types of debt.**

Individual Debt ☒

Business Debt ☐

Customers select the debt type, either Individual or Business

## Offer Reason

**V12 Testing**

**If needed, please submit separate Offer in Compromise applications to address the different types of Offer reasons.**

☐ Doubt as to Collectability

"I have insufficient assets and income to pay the full amount." Forms for a com of Financial Condition will be included.

☒ **Doubt as to Liability**

"I do not believe I owe this amount". You will be required to give detailed an exp reasons why you believe you do not owe the tax.

How much do you believe you owe? 0.00

☒ Please share any additional information or details for why you're applying for an Offer in Compromise:

I do not believe I owe this amount

Customers select the offer reason, either Doubt to Liability or Doubt to Collectability

## Tax Accounts/ Periods

Customers can review the accounts and periods they want to be included in the application.

Offer in Compromise Application

**V12 Testing**

Offer in Compromise Instructions   Offer in Compromise Filed For Debt Type   Taxpayer Information   Reason for Offer   **Tax Accounts**   Tax Periods

☒ This offer is submitted by the taxpayer to compromise a state tax liability for the following periods:

Please fill out this table with the relevant entries. Select the following periods you wish to proceed with this application.

Include Period?	Account Type	Joint Debt?	Is the Tax Debt in a LIE Period	Spouse Name	Tax	Interest	Penalties	Total	
<input checked="" type="checkbox"/>	Personal Income Tax	<input type="checkbox"/>	<input type="checkbox"/>	31-Dec-2019		1,976.00	353.43	760.76	3,090.19
<input checked="" type="checkbox"/>	Personal Income Tax	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	31-Dec-2020	HUSBAND OIC	2,797.00	296.48	936.88	4,030.36
<input checked="" type="checkbox"/>	Personal Income Tax	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31-Dec-2021	HUSBAND OIC	4,302.00	149.57	1,204.56	5,656.13
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>						

## Offer Payment

Offer in Compromise Application

**V12 Testing**

Information   Reason for Offer   Tax Accounts   Tax Periods   **Offer in Compromise Details**   Select Payment Type

Select your payment type:

☒ Pay By Credit/Debit Card

☐ Pay By ACH Transaction

[Click here to Pay with Credit Card](#)

I understand that this NON-REFUNDABLE payment I am submitting in the link above DOES NOT guarantee that the application will be accepted. The amount submitted will be posted to the applied debt after the application processes.

Customers select the payment type, either Debit Card or by ACH.



# Deployment of IAS World

- Modernized system for increased efficiency and long term stability
- Prior system had been in service for nearly 20 years
- Cautious shift forward

# IAS 4

Summary for Active

Parcel ID: 24-23-02-000-000

Version: 5

Class: 1

Type	Lot	1st	2nd	3rd	Area	Value	Sketch Vector	Reason for Change
1	1	1	1	1	448	1	1	1

Sqr Living Area: 1,134 RCN Value: 9,520

# IAS World

Summary for Active

Parcel ID: 24-23-02-000-000

Version: 5

Class: 1

Card#	Lot#	Basement	First	Second	Third	Gross Living Area	RCN	Why	When	Record	Status
1	1	1	1	1	1	448	1	1	1	1	1

Sqr Living Area: 1,134 RCN Value: 9,520

# IAS World – Online Filing Portal



[Available Filings](#)   [My Filings](#)   [Message Center](#) **209**   [Account](#)   [Sign Out](#)

## Available Filings

To create a new filing, click on a filing type below.

### [2022 Personal Property Return - Commercial](#)

Commercial Property Return THIS RETURN IS TO BE FILED AS SOON AS POSSIBLE AFTER JULY 1, BUT NO LATER THAN SEPTEMBER 1.

### [2022 Personal Property Return - Individual](#)

Individual Property Return THIS RETURN IS TO BE FILED AS SOON AS POSSIBLE AFTER JULY 1, BUT NO LATER THAN OCTOBER 1.

### [2022 Personal Property Return - Industrial](#)

Industrial Property Return THIS RETURN IS TO BE FILED AS SOON AS POSSIBLE AFTER JULY 1, BUT NO LATER THAN AUGUST 1.

### [2023 Homestead Application](#)

Homestead and Address Change

### [Oil & Gas Return](#)

2023 Oil and Gas Producer/Operator Return

# Tax Cuts! – HB 2526

- Reduction in tax rates retroactive to 2023 of 21.25%.
- New withholding tables issued within 2 weeks of effective date of bill.
- Trigger in the enactment to allow for eventual full reduction of the income tax

# Tax Credits for Property Taxes Paid – HB 2526

- Effective January 1, 2024 three new credits:
  - **Motor Vehicle Credit** – Available to everyone except dealers.  
TSD-454
  - **Disabled Veterans Credit** – Available on the homestead of any disabled veteran greater than 90% disabled as determined by the Department of Veterans Affairs
  - **Small business personal property credit** – Available for any business activity (except oil and gas development) in which the business has less than \$1 million in total property in the state



# Income Tax Apportionment

- Significant change in apportionment of multi-state income of business entities.
- Single sales factor apportionment
- Market based sourcing for services

# Economic Development Tax Incentives

- **Build WV** – An income tax credit equal to a calculation that is a stand in for the first 10 years of property taxes for certain residential home builders
- **Film Credit** – Makes a return with no cap on the amount of credit, elimination of certain advertising ventures, and rule clarifications around issues associated with the prior credit
- **Industrial Advancement Act** – Most significant Economic Development legislation enacted. Requires multi-billion dollar investment

# New regulatory scheme on certain controlled products

- Tax on Kratom and hemp derived cannabinoids
- Increased tax enforcement efforts on drug paraphernalia
- Increased tax enforcement efforts around tobacco and e-cigarette liquid

# Oil and Gas Property Tax

- Two significant changes to the valuation methodology over the last two years
- Methodology is now very price sensitive
- Growing taxpayer base is making our work difficult (1.4 million interests valued in 2023)
- New Office of Tax Appeals framework

# Taxpayer Engagement: Focusing on Understanding and Accessibility

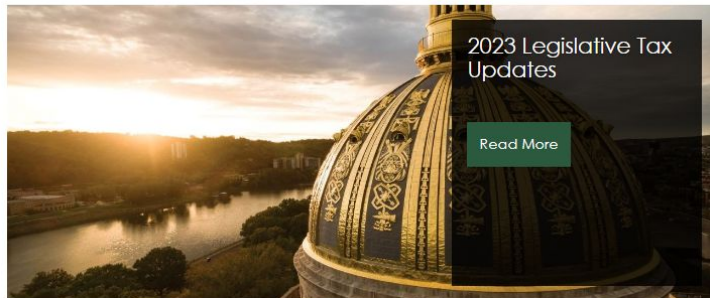
**WV**.gov State Agency Directory | Phone Directory | Online Services  
Businesses | Individuals | Resources | Property Tax | Taxpayer Advocate | About Us

WEST VIRGINIA  
TAX DIVISION



I want to...

check the status of my refund |



Where's My Refund?



Reporting Tax Fraud



Pay/File – MyTaxes



Businesses

● Business



Individuals

● Individuals



Resources

● Tax Professionals



# Taxpayer Engagement: Focusing on Understanding and Accessibility



## West Virginia State Tax

TSD-369  
(Rev. March 2018)

### USE TAX FOR YOUR BUSINESS

The purpose of this publication is to provide information regarding reporting and remitting state and municipal use tax for businesses. This publication provides general information. It is not a substitute for tax laws or regulations.

#### GENERAL INFORMATION

- West Virginia's use tax is a 6% tax on the use of tangible personal property or services in West Virginia where West Virginia sales tax has not been paid.
- An additional municipal tax may also apply.
- All West Virginia sales tax exemptions equally apply to the use tax. There is no use tax applied to items that would be exempt from sales tax if purchased in West Virginia.
- These exemptions also apply for municipal use tax.
- For a list of municipalities, effective dates and rates, visit our website at:  
<https://tax.wv.gov/Business/SalesAndUseTax/Pages/SalesAndUseTax.aspx>

#### TYPES OF BUSINESSES LIABLE FOR USE TAX

- This list provides examples of the types of businesses liable for use tax and is not intended to be all inclusive.
  - Banks (most items)
  - Contract Miners (most items not directly used or consumed in manufacturing production)
  - Contractors (most items)
  - Hospitals (most items)
  - Manufacturers (most items not directly used or consumed in manufacturing production)
  - Professionals (most items)
  - Real Estate Management Companies (most items)
  - Retailers (most items not resold)
  - Service Providers (most items not resold)
  - Wholesalers (most items not resold)

**EXAMPLES:**  
A retailer buys a cash register for use in West Virginia from an Illinois business supply vendor who fails to collect the West Virginia sales or use tax. The West Virginia retailer is liable for the use tax and must remit the use tax directly to the State.

A manufacturer pays a management consultant to analyze a West Virginia facility. The consultant fails to collect West Virginia sales or use tax. The manufacturer is liable for the use tax and must remit the use tax directly to the State.

An Ohio contractor brings building supplies from Ohio that have not been subject to any states' sales or use tax into West Virginia for a capital improvement job. The contractor is liable for West Virginia use tax and must remit the tax directly to the State.

A West Virginia corporation hires a Maryland CPA firm to conduct an audit of its records. The fee paid to the CPA firm is exempt from the West Virginia tax regardless of where the work is performed because the professional service of a CPA is exempt from both the sales and the use tax.

#### REPORTING AND REMITTING

- Businesses who make taxable purchases from suppliers (including out-of-state suppliers) who do not collect West Virginia sales or use tax must pay the use tax directly to the West Virginia State Tax Department. The use tax must be paid on a sales and use tax return (Form WV/CST-200CU) and is due on or before the 20th day of the month following the ending of the filing period. The use tax rate is the same as the sales tax rate.



## WEST VIRGINIA TAX DIVISION

TSD 454

### Motor Vehicle Property Tax Adjustment Credit

This publication provides general information and is not meant to be a substitute for tax laws or regulations.

Beginning January 1, 2024, taxpayers are eligible to claim a Motor Vehicle Property Tax Adjustment Credit. The first opportunity to claim this credit will be on a 2024 WV income tax return, in 2025, for all timely paid property taxes made on vehicles in the 2024 calendar year. The same rules will apply for all following years.

#### Who Qualifies?

**Individuals, Partnerships, S-Corporations, LLCs, and C-Corporations**  
Leasing companies qualify for the credit. They are **required** to pass the savings on to the consumer leasing the motor vehicle. Contact your leasing company for more information on when you can expect to see the discount.

#### Who Does Not Qualify? Motor Vehicle Dealers

The first motor vehicle property tax payment that will be eligible to qualify for the credit is the payment made for the second half of the 2023 property tax year and it **must** be paid between January 1 - April 1, 2024.

**Any property taxes paid in 2023 cannot be claimed.**

To ensure that you qualify for the Motor Vehicle Property Tax Adjustment Credit, you will have to:

- File your personal property assessment returns with your County Assessor **timely**. For businesses that means before September 1 and for individuals before October 1.
- Pay your personal property taxes **timely**. That means the first half of the assessment must be paid before October 1 and the second half before April 1.

Location and contact information on your County Assessor can be found at [tax.wv.gov](http://tax.wv.gov).

**Only individuals and business motor vehicle owners may qualify for the Motor Vehicle Property Tax Adjustment Credit. The credit is only available for the actual tax paid.** If an early payment discount is applied, the credit is limited to the amount actually paid after deduction of the discount. The following Motor Vehicle classifications, which can also be found online at [transportation.wv.gov](http://transportation.wv.gov), are eligible for the credit:

<b>Class A</b>	Cars and Trucks	Passenger cars and trucks with a gross weight of 10,000 pounds or less
<b>Class B</b>	Trucks	Trucks, truck tractors, or road tractors with a gross weight of 10,001 pounds or more
<b>Class G</b>	Motorcycles	Every motorcycle, including motor driven cycles and mopeds, having a saddle and no more than three wheels
<b>Class H</b>	Buses	Every motor vehicle designed for carrying more than seven passengers or transportation of persons for compensation, excluding taxicabs
<b>Class T</b>	Trailers	Trailers, boat trailers, or semitrailers of a type designed to be drawn by Class A vehicles with a gross weight of less than 2,000 pounds
<b>Class V</b>	Antique Motor Vehicles	Antique motor vehicles are at least 25 years old
<b>Class X</b>	Farm Trucks	Used exclusively for the transportation of farm products and supplies by a farmer
<b>W. Va. Code § 20-15-2</b>	All-Terrain Vehicles	Any motor vehicle designed for off-highway use and to travel on not less than three low-pressure tires, having a seat designed to be straddled by the operator and handlebars for steering control and intended by the manufacturer to be used by a single operator or by an operator and no more than one passenger

Vehicles that do not qualify for the credit include but are not limited to Class C (trailers and semi trailers), J (taxi cabs), M (mobile equipment) and R (travel trailer) vehicles. To learn more about vehicle classifications, visit [transportation.wv.gov](http://transportation.wv.gov).

**Taxpayers that do not owe WV income taxes and are not required to file a WV income tax return will be able to file a claim for a rebate in early 2025 of their Motor Vehicle property taxes paid.** Continue to check [tax.wv.gov](http://tax.wv.gov) for more information and form requirements as they become available.

#### For more information, you can:

- Call a Taxpayer Services Representative at (304) 558-3333 or toll-free at (800) 982-8297
- Email [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- Go Online to [tax.wv.gov](http://tax.wv.gov)

# Taxpayer Engagement: Focusing on Understanding and Accessibility

## **Notice of Proposed Assessment and Denial of Refund**

This Notice of Proposed Assessment and Denial of Refund is to inform you that the State Tax Division intends to issue an assessment for Personal Income Tax against you, REFUND DENIAL, in the amount of \$3,185.10. See the reverse side of this notice for details of this proposed assessment.

If you do not agree with this proposed notice of assessment, you have made reasonable efforts to resolve this matter with the State Tax Division and have not been satisfied with the resolution, then you may be eligible for alternative dispute resolution through the State Tax Division's Office of the Taxpayer Advocate.

The Office of the Taxpayer Advocate acts as a mediator to assist a taxpayer and the State Tax Division in negotiating a voluntary settlement of a tax dispute. If you are interested in these services, you must apply with the Office of the Taxpayer Advocate at <https://mytaxes.wvtax.gov> to see if you qualify for assistance. For more information on the Office of the Taxpayer Advocate, please visit our website at <https://tax.wv.gov>.

If you do not have any objections to this proposed assessment, or if you do nothing in response to this letter, the State Tax Division will issue a Notice of Assessment 60 days after the date of this notice. The Notice of Assessment will include the amount of this Proposed Assessment.

### **Have questions on the Office of the Taxpayer Advocate?**

Contact our Advocate Sara Sikorovsky at [taxpayeradvocate@wv.gov](mailto:taxpayeradvocate@wv.gov).

### **Want to schedule a Taxpayer Service Representative for a CPA Round Table discussion?**

Contact Taxpayer Services Director Travis Payne at [travis.l.payne@wv.gov](mailto:travis.l.payne@wv.gov).

# MyTaxes Third Party Access

MyTaxes currently offers a feature that allows a taxpayer to grant a third party (tax preparer, accountant, etc.) access to one or more of their accounts. Granting a third party access to your accounts enables the third party, already registered on MyTaxes, to act on your behalf.

A third party that has been granted access by multiple taxpayers will only require a single logon to access the various accounts for their multiple clients.

# MyTaxes Third Party Access

The first step is to determine or establish the Third Party logon. This logon should be associated with the 'business' or accountant and will be used to access the various accounts.

Second, the clients will need to log in and grant Third Party Access to the Third Party logon. They will need to have the logon/username and email of the third party logon to which they are granting access.

- To grant third party access to a logon:
  - Select Manage My Profile
  - Select the More Tab
  - Select the Grant Third Party Access link, in the Third-Party Access section
  - Enter logon of third party
  - Enter email of third party, select Next
  - Verify correct third party has been identified and select link
  - Select accounts and access level being granted
  - Submit



# Future Upgrades and Recent Enhancements

Changes and upgrades for MyTaxes are continuous and ongoing. One upgrade we are currently exploring is to alleviate confusion when submitting extensions for Pass Thru and Corporate Income taxes. One potential options is having a separate option to file or submit extensions, with the intention that this will be place for filing next year.

A recent implementation we are excited about is the launch of our SMS solution – which should result in noticeable quickness in receiving authentication codes via text message.

Another recent implementation is allowing the use of an authentication app to receive the necessary authentication codes to log on.

If you are a current MyTaxes user and wish to begin using an authentication app instead of text or email (you will need to have an authentication app such as Google Authenticator, Microsoft Authenticator, etc already installed), please do the following:

- Select Manage My Profile
- Select Change Two-Step Settings link, in the security panel.
- Then select the Set Up link, in the Authentication App panel.
- Using the app, either scan the QR code or manually enter the key.



# Legislative Update

Total number of 2023 bills = 2317

Bills with tax aspects = 210

Tax bills that passed = 18 (17 signed by Governor, 1 became law without signature)



SB 149

Divine schools, daycares, and church camps

SB 151

SALT workaround – PTE election to be taxed at the entity level

SB 220

Industrial Hemp Development Act

SB 444

Transfer of \$ from WV Future Fund to General Revenue Fund

SB 446

Removing methanol and methanol fuel from definition of special fuel

SB 478

Jumpstart Savings Program

SB 487

Reducing modification – pensioners bailout extended to 2028

SB 522

Accelerating transition of transfer tax to counties

SB 548

Delinquent property sales

HB 2759

Healthcare provider tax

HB 2776  
PIT update

HB 2777  
CNIT update

HB 2526  
Reducing PIT, providing for tax credits for property taxes paid

HB 2587  
Breakdown of distribution of where county taxes get spent

HB 3012  
Rare earth elements and minerals exempt from severance tax  
Became law without Governor's signature

HB 3013  
Jefferson County special district excise tax

HB 3286  
Reducing modification for publicly traded companies

HB 3391  
OTA filing deadlines for property tax appeals

## Rules

110 CSR 1J – Oil and Gas Property Tax Valuation

110 CSR 13DD – Farm to Foodbank Tax Credit

110 CSR 13X – Film Tax Credit

110 CSR 22 – Property Transfer Tax

110 CSR 28 – Municipal Sales and Use Tax Administration

110 CSR 42—Tax Division Personnel Rule

# Questions

Is there any further guidance related to AAR adjustments for Partnerships and how they are reported at the West Virginia level? Will there be a way to pay the AAR adjustment at the pass-through level? Current guidance indicates that an amended West Virginia return should be filed for the year that the adjustment occurred, but with an AAR, there is no amended federal return to attach to the amended West Virginia return?

# Questions

From the WV Tax Department's perspective, can a business be a qualified opportunity zone business without being a qualified opportunity fund? If so, what should taxpayers do about the form instruction requirement to attach Form 8996? Per the instructions for Form 8996, that form is filed by organizations certifying that they are a qualified opportunity fund. Additionally, per the highlighted section on page 3, qualified opportunity zone businesses do not file Form 8996. (sent to the tax department for response earlier in May)



# Questions

It seems like there has been inconsistencies regarding the documentation required for credits for taxes paid to other states reported on a K-1. Is there guidance or instructions on what needs to be attached related to that?

# Questions

How can the WVSCPAs and their Tax Committee work better together with the tax department?



# Questions

Is there any plans for an extension option on MyTaxes? Clients find the options confusing and correcting a mistake related to it can be difficult

# Questions

State POA – Are there any plans for immediate ability to use submitted POA (similar to IRS) with fax/email/online submission?

# Questions

Why the delay in approving software vendors for e-filing? Software vendors indicate they are waiting for West Virginia communication, the state indicates it's the vendors.



# Questions

Why did the apprenticeship credit have to be mailed this year?





# Questions

Can the Department provide a list of the required e-file attachments and the specific names for those attachments?

# Information About the Pass-Through Entity Tax (SB 151)



# Is there a new tax on pass-through entities for Tax Year 2022 and thereafter?

SB 151 (2023 Regular Legislative Session) creates an elective pass-through entity tax retroactive to Tax Year 2022. This new pass-through entity tax is meant to comply with the provisions of IRS Notice 2020-75.

# What is the difference between this elective pass-through entity tax and the tax I already pay on my PTE-100?

The elective pass-through entity tax is a tax imposed directly upon the income of the entity, defined as the resident pass-through entity owners' income plus the apportioned nonresident pass-through entity owners' income. The pass-through entity tax is filed and paid instead of the nonresident withholding due with PTE-100. **Any entity that elects to pay the pass-through entity tax will no longer be obligated to file the PTE-100.**

# When will forms be available?

Forms to make the election will be available as soon as possible following the June 8, 2023 effective date of SB 151. Forms to file the elective entity level return will also be made available as soon as possible after June 8, 2023.

It is anticipated that forms for Tax Year 2022 will be available online only through our filing portal at [MyTaxes.WVTax.Gov](https://MyTaxes.WVTax.Gov).

# What is the due date for the election?

For calendar year taxpayers, the election is due on or before March 15th. Under Administrative Notice 2023-01, a special rule applies to Tax Year 2022 that requires the election be made between June 8 and September 15, 2023.



# What is the due date for the return?

For calendar year taxpayers, the return is due on or before March 15th and any allowable extension is through September 15th.

Under Administrative Notice 2023-01, a special rule applies to Tax Year 2022 that requires the return be filed between June 8 and September 15, 2023.

# When is payment due for Tax Year 2022?

- An extension of time has been granted until April 18, 2023 to pay the entity level tax due as a nonresident withholding payment. However, this extension requires that the pass-through entity receives agreement from the partners to later apply the nonresident withholding tax payments as entity level tax payments and certifies the same upon the filing of the entity level tax return. Payment can be made on our web portal at [MyTaxes.WVTax.Gov](https://MyTaxes.WVTax.Gov).

# When is payment due for Tax Year 2022?

If a nonresident withholding payment is not made by April 18, 2023 a conditional extension of time has been granted until September 15, 2023. This conditional extension of time **requires that all pass-through entity owners have paid their income tax due by April 18, 2023 without regard to the expected tax credit for the entity level tax.**

# When are estimated payments due?

- For Tax Year 2022
  - No estimated payments are due provided the liability is paid in full by either the individual pass-through entity owners or the pass-through entity by April 18th 2023.
- For Tax Year 2023
  - First three quarters: September 15th
  - Final Quarter: December 15th
- For Tax Year 2024 and beyond:
  - First Quarter: April 15th
  - Second Quarter: June 15th
  - Third Quarter: September 15th
  - Fourth Quarter: December 15th

# Additional SB 151 Questions

- What if the PTE did not meet the requirements for the **2022** “extension.” Are they just out of luck?
- When does the STD anticipate having returns, elections, etc. available for use?
- When would you expect to have rules/regs issued?
- How is the PTE tax calculated? Is it based on entity WV apportioned income or in another manner?



# Additional SB 151 Questions

- SB 151 provides that if the credit exceeds the aggregate amount of tax otherwise due, the excess may be carried forward by the taxpayer for up to five taxable years but is not refundable. Can you address the rationale behind this provision? Also, how will this work when an owner of a multistate PTE has significant credits for taxes paid to other states, such as nonresident withholding, composite taxes paid, or other states PTE tax?
- Can you address the impact likely to be afforded to separately stated items (e.g. Keogh contribution, self-employed health insurance, ½ SE tax deduction, etc.)?

# Additional SB 151 Questions

- What about depletion?
- Must payments be made electronically, or can payments be made by check?
- The Administrative Notice provided for a deferral of 2023 PTE estimated payments, can you discuss those provisions?
- For the 2023 tax year and forward, when must PTE elections be made and is it an annual or one-time election?

# Additional SB 151 Questions

- When does the STD expect to issue FAQs?
- Due to the timing surrounding SB 151, many taxpayers have likely filed 2022 business and underlying personal returns. Will the STD permit filing amended returns in order to take advantage of a PTE election?
- Administrative Notice 2023-1 states that all partners must agree to make the election. Generally, one would expect this to fall to the taxpayer representative under the operating agreement or a board of directors of a corporation to determine, and it does not become a full-blown partnership or corporate shareholder decision.

# Additional SB 151 Questions

- May a C corporation owner in a PTE benefit from a PTE election? Tax-exempt entity?
- Will tiered partnership be permitted to make a PTE election?
- Are non-grantor trusts eligible to make a PTE election?
- Do nonresident individuals have a filing requirement if the PTE election/payments otherwise satisfied all WV liability? (i.e. Would it be similar to filing nonresident individual filing requirements for which composite return payments were made)

# Additional SB 151 Questions

- Has consideration been given as to the ordering of tax credits?
- How do you foresee the STD addressing the impact of audit changes (CPAR) on prior PTE elections?
- Any consideration given at this point as to how the STD will address ownership changes and allocation of PTE credits? For example, you have a cash basis PTE making a 2022 election, payment is made in 2023 after an ownership change at the end of 2022.



## Questions?

Please send them in an email to:  
[tax.commissioner@wv.gov](mailto:tax.commissioner@wv.gov)