WEST VIRGINIA CODE CHAPTER 11 ARTICLE 6C

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§11-6C-1. Inventory included within scope of article.

Notwithstanding any other provisions of law, inventory of vehicles, as that term is defined in section one, article one, chapter seventeen-b of this code that is held for sale or lease by new or used vehicle dealers licensed under the provisions of article six, chapter seventeen-a of this code, or held for sale or lease by daily passenger car rental businesses licensed under the provisions of article six-d of said chapter, inventory of motorboats, as that term is defined in section one, article six of said chapter, that is held for sale or lease by a recreational vehicle dealer, as that term is defined in said section, that is licensed under the authority of section three, article six of said chapter, and farm equipment dealers' inventory, consisting of individual units of personal new or used property, each unit of which, upon its sale to a retail purchaser, must, as a matter of law, be titled in the name of the retail purchaser and registered with the Division of Motor Vehicles, shall be appraised for assessment purposes, as set forth in this article: Provided, That house trailers and factory-built homes shall be included within the scope of this article.

For the purposes of this article, "farm equipment" means equipment exclusively used in planting, cultivating, irrigation, and harvesting of agricultural products, but not marketing of such products. The term "farm equipment" includes, but is not limited to, the following equipment, and also includes attachments and repair parts for the following equipment: tractors; crawler tractors (other than bulldozers); walking tractors; cultivators; plows; harrows; power tillers; rotary tillers; spading machines; subsoilers; plastic mulch layers; planters and planting machines; seeders; mechanical transplanters; manure spreaders; fertilizer spreaders; insecticide and fertilizer sprayers; irrigation equipment; harvesters; fixed and portable belt and screw type conveyors exclusively used in agriculture; cotton pickers; hullers; swathers; windrowers; balers; bale movers exclusively used in agriculture; hay conditioners; hay mowers; mowing machines; mower/conditioners; hay rakes; hay tedders; feed grinders; grain carts; rock pickers; milking machines and milking machine components, animal trailers, to the extent that they constitute tangible personal property, apiary equipment: Provided, That the term "farm equipment" does not include: (1) Property that is not tangible personal property, (2) building materials and equipment that is installed into a building or structure so as to be converted upon installation into a fixture or into real property, (3) cars, trucks, motorcycles and any other self-propelled machines designed primarily for the transportation of persons or property on a street or highway, (4) trailers, or towed machines or apparatus designed primarily for the transportation of persons or property on a street or highway, (5) fork lifts, backhoes, earth movers, bulldozers, end loaders, power shovels, excavators or other equipment primarily designed to be used in earth moving, excavation or construction activity, or in the activity of warehouse materials handling and (6) airplanes, and other aircraft, and (7) all terrain vehicles, motorcycles and other off road vehicles primarily designed for recreational use; and >farm equipment dealers' means a person, partnership, corporation, association or other form of business enterprise which primarily sells farm equipment as defined above.

This article does not apply to units of inventory which are included in fleet sales, transactions between dealers or classified as heavy duty trucks of sixteen thousand pounds

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or more gross vehicular weight. For purposes of this article, inventory subject to the provisions of this article shall be denoted "dealer vehicle inventory", "dealer motorboat inventory", "daily passenger rental car inventory", "farm equipment dealers inventory" and "house trailer and factory-built homes inventory".

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§11-6C-2. Method for determining market value of dealer vehicle inventory, dealer motorboat inventory, farm equipment dealers inventory, daily passenger rental car inventory and house trailer and factory-built homes inventory.

(a) For purposes of appraisal, the market value of dealer vehicle inventory, dealer motorboat inventory and farm equipment dealers inventory, as of July 1, of each year, shall be the gross sales or total annual sales of such inventory made by such dealer during the preceding calendar year, divided by twelve, for a dealer with respect to which or whom sales were made during the entire preceding year. For the purposes of this article, "gross sales" or "total annual sales" means the amount received in money, credits, property, services or other consideration from sales within this state without deduction on account of the cost of the property sold, amounts paid for interest or any other expenses whatsoever. Gross sales or total annual sales shall not be reduced by the value of an item of tangible personal property which is traded in for the purpose of reducing the purchase price of the item purchased. In the case of dealers who were not in business during the entire calendar year immediately preceding July 1, of that calendar year, the assessor shall estimate the market value of such inventory based on such data as may be available to him or her: Provided, That the assessor may extrapolate estimates using such sales data as may be available and reliable when sales are made for a period of three months or more during the prior year: Provided, however, That there shall be excluded from the appraisal calculations the value of those units which were not physically held as inventory by the owner of the inventory at any time during the preceding year. In all cases, the market value, so derived, shall serve as the basis for calculating the appraised value.

(b) For purposes of appraisal, the market value of daily passenger rental car inventory, as of July 1, of each year, shall be the gross value of all daily passenger rental cars made available by a daily passenger rental car business on the first day of each month of the immediately preceding calendar year: Provided, That the daily passenger rental car business shall add together the gross values and divide that sum by twelve. For purposes of this article, "gross value" means the lowest value for each vehicle as shown in a nationally accepted used car guide determined by the Tax Commissioner. To calculate the "gross value" of any vehicle that does not appear in a nationally accepted used car guide, the Tax Commissioner shall determine the percent of the manufacturer's suggested retail price for each such vehicle held as a daily passenger rental car without deduction on account of the cost of any inventory, amounts paid for interest or any other expenses whatsoever. In the case of daily passenger rental car businesses that were not in business during the entire calendar year immediately preceding July 1, of that calendar year, the assessor shall estimate the market value of such daily passenger rental car inventory based on such data as may be available to him or her: Provided, however, That the assessor may extrapolate estimates using the daily passenger rental car data that is made available and reliable when rentals were made for a period of three months or more during the prior year: Provided further, That there shall be excluded from the appraisal calculations the value of those units which were not physically held as daily passenger rental car inventory by the owner of the daily passenger rental car inventory at any time during the preceding year. In all cases, the gross value of daily

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passenger rental car inventory, so derived, shall serve as the basis for calculating the appraised value of the inventory. For purposes of this article, "daily passenger rental car inventory" includes all motor vehicles licensed as a Class A motor vehicle as defined in section one, article ten, chapter seventeen-a of this code.

(c) For purposes of appraisal, the market value of house trailer and factory-built homes inventory, as of July 1, of each year, shall be the gross sales or total annual sales of such inventory made by such dealer during the preceding calendar year, divided by twelve, for a dealer with respect to which or whom sales were made during the entire preceding year. For the purposes of this article, "gross sales" or "total annual sales" means the amount received in money, credits, property, services or other consideration from sales within this state without deduction on account of the cost of the property sold, amounts paid for interest or any other expenses whatsoever. Gross sales or total annual sales shall not be reduced by the value of an item of tangible personal property which is traded in for the purpose of reducing the purchase price of the item purchased. In the case of dealers who were not in business during the entire calendar year immediately preceding July 1, of that calendar year, the assessor shall estimate the market value of such inventory based on such data as may be available to him or her: Provided, That the assessor may extrapolate estimates using such sales data as may be available and reliable when sales are made for a period of three months or more during the prior year: Provided, however, That there shall be excluded from the appraisal calculations the value of those units which were not physically held as inventory by the owner of the inventory at any time during the preceding year. In all cases, the market value, so derived, shall serve as the basis for calculating the appraised value.

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§11-6C-3. Owner to file return estimating market value.

The owner of dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory, farm equipment dealers inventory, or house trailer and factory-built homes inventory shall report the market value of such inventory, derived as set forth in section two of this article, to the assessor, as a part of the return required by law to be filed annually pursuant to the provisions of this chapter.

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§11-6C-4. Determination of tax on dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory, farm equipment dealers inventory or house trailer and factory-built homes inventory.

The annual amount of tax levied upon the dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory, farm equipment dealers inventory or house trailer and factory-built homes inventory pursuant to article eight of this chapter shall be based upon the market value as determined pursuant to this article, times the assessment percentage then provided by law.

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§11-6C-5. Intent of this article; Tax Commissioner to promulgate rules.

(a) This article is adopted to address the lack of uniformity, audit difficulties and business management issues arising in this state with respect to the assessment of the personal property held as new and used dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory, farm equipment dealers inventory or house trailer and factory-built homes inventory. Accordingly, the Legislature finds and declares that the adoption of this article will provide a more reliable and uniform method of determining market value of dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory, farm equipment dealers inventory or house trailer and factory-built homes inventory; minimize audit problems associated with such property; provide a predictable revenue stream for levying bodies; maximize the owner's ability to manage inventory; and provide clear guidance to local authorities by superseding the wide variety of otherwise lawful appraisal methods now in use in this state.

(b) The Tax Commissioner shall have the power to promulgate such rules as may be necessary to implement the provisions of this article.

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