

APPROVED AND SIGNED BY THE GOVERNOR

Date \_\_\_\_\_

Time \_\_\_\_\_

No: 1109  
601109

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1981



# ENROLLED

HOUSE BILL No. 1109

(By Mr. Teets & Mr. Shiflet )



Passed April 11, 1981

In Effect July 1, 1981 ~~Passage~~



**ENROLLED**

**H. B. 1109**

(By MR. TEETS and MR. SHIFLET)

[Passed April 11, 1981; in effect July 1, 1981.]

AN ACT to amend and reenact section five, article eleven, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to establishing criteria for the determination of the market value of certain property for inheritance tax purposes.

*Be it enacted by the Legislature of West Virginia:*

That section five, article eleven, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 11. INHERITANCE AND TRANSFER TAXES.**

**§11-11-5. Determination of market value.**

1 The market value of property is its actual market value  
2 after deducting debts and encumbrances for which the same  
3 is liable, and to the payment of which it shall actually be  
4 subjected, except that the market value of all property  
5 owned, used and occupied by the decedent at the time of his  
6 death exclusively for residential purposes shall be arrived  
7 at by giving primary, but not exclusive, consideration to  
8 the fair and reasonable amount of income which the same  
9 might be expected to earn, under normal conditions in the  
10 locality wherein situated, if rented: *Provided*, That the market  
11 value of all farms used, occupied and cultivated by decedents  
12 at the time of their death or bona fide tenants shall be

13 arrived at according to the fair and reasonable value of the  
14 property for the purpose for which it is actually used regard-  
15 less of what the value of the property would be if used for  
16 some other purpose and that the market value shall be  
17 arrived at by given consideration to the fair and reasonable  
18 income which the same might be expected to earn under  
19 normal conditions in the locality wherein situated, if rented.  
20 In fixing such market value, allowances shall not be made  
21 for debts incurred by the decedent, or encumbrances made  
22 by him, unless such debts or encumbrances were incurred  
23 or created in good faith for an adequate consideration, nor  
24 for any debt in respect whereof there is a right to reimburse-  
25 ment from any other estate or person, unless such reimburse-  
26 ment from any other estate or person cannot be obtained.

27 For the purpose of the tax there shall be deducted from  
28 the market value of the property transferred the value at  
29 which it was assessed for any inheritance or transfer tax paid  
30 to the state of West Virginia upon a transfer to the decedent  
31 at any time within three years prior to the death of the  
32 decedent. That part of the value of property which was  
33 allowed as an exemption and upon which the tax was not  
34 actually measured and paid shall not be deducted as pre-  
35 viously taxed property. This paragraph shall apply only to  
36 transferees designated in subdivisions (a) and (b), of section  
37 two of this article.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*R. P. Bayler*

Chairman Senate Committee

*Tony E. Whetlow*

Chairman House Committee

Originated in the House.

Takes effect July 1, 1981.

*Judd C. Willis*

Clerk of the Senate

*C. Blankenship*

Clerk of the House of Delegates

*Wm. J. Blinn*

President of the Senate

*John M. Bell, Jr.*

Speaker House of Delegates

The within *is approved* this the *20* day of *April*, 1981.

*John D. Ralston*

Governor

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