

HB 2270

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LEGISLATURE

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REGULAR SESSION, 1995

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ENROLLED

Com. Sub. For
HOUSE BILL No. 2270

(By Delegate S. Kiss (By Request) Rowe,
Mezzatesta, J. Martin Staton,
Ashley and Faircloth)

Passed March 8, 1995

In Effect Ninety Days From Passage



ENROLLED
COMMITTEE SUBSTITUTE
FOR

H. B. 2270

(BY DELEGATES KISS (BY REQUEST), ROWE, MEZZATESTA,
J. MARTIN, STATON, ASHLEY AND FAIRCLOTH)

[Passed March 8, 1995; in effect ninety days from passage.]

AN ACT to amend chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article six-c, relating to establishing a special method for appraising dealer inventory; inventory to include house trailers and factory-built homes; reporting market value; legislative intent; and tax commissioner rules.

Be it enacted by the Legislature of West Virginia:

That chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article six-c, to read as follows:

**ARTICLE 6C. SPECIAL METHOD FOR APPRAISING DEALER
VEHICLE INVENTORY.**

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

1 Notwithstanding any other provisions of law, inventory
2 of vehicles, as that term is defined in section one, article
3 one, chapter seventeen-b of this code, that is held for sale
4 or lease by new or used vehicle dealers licensed under the
5 provisions of article six-c, chapter seventeen-a of this code,
6 provided that house trailers and factory-built homes shall

7 be included within the scope of this article, consisting of
8 individual units of personal new or used property, each
9 unit of which, upon its sale to a retail purchaser, must, as a
10 matter of law, be titled in the name of the retail purchaser
11 and registered with the division of motor vehicles, shall be
12 appraised for assessment purposes, as set forth in this
13 article.

14 This article does not apply to units of inventory which
15 are included in fleet sales, transactions between dealers or
16 classified as heavy duty trucks of sixteen thousand pounds
17 or more gross vehicular weight. For purposes of this
18 article, inventory subject to the provisions of this article
19 shall be denoted "dealer vehicle inventory".

**§11-6C-2. Method for determining market value of dealer
vehicle inventory.**

1 For purposes of appraisal, the market value of dealer
2 vehicle inventory, as of the first day of July of each year,
3 shall be the gross sales or total annual sales of such
4 inventory made by such dealer during the preceding
5 calendar year, divided by twelve, for a dealer with respect
6 to which or whom sales were made during the entire
7 preceding year. For the purposes of this article, "gross
8 sales" or "total annual sales" means the amount received in
9 money, credits, property, services or other consideration
10 from sales within this state without deduction on account
11 of the cost of the property sold, amounts paid for interest
12 or any other expenses whatsoever. Gross sales or total
13 annual sales shall not be reduced by the value of an item
14 of tangible personal property which is traded-in for the
15 purpose of reducing the purchase price of the item
16 purchased. In the case of dealers who were not in business
17 during the entire calendar year immediately preceding the
18 first day of July of that calendar year, the assessor shall
19 estimate the market value of such inventory based on such
20 data as may be available to him or her: *Provided*, That the
21 assessor may extrapolate estimates using such sales data as
22 may be available and reliable when sales are made for a
23 period of three months or more during the prior year;
24 *Provided, however*, That there shall be excluded from the
25 appraisal calculations the value of those units which were

26 not physically held as inventory by the owner of the
27 inventory at any time during the preceding year. In all
28 cases, the market value, so derived, shall serve as the basis
29 for calculating the appraised value.

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

1 The owner of dealer vehicle inventory shall report the
2 market value of such inventory, derived as set forth in
3 section two of this article, to the assessor, as a part of the
4 return required by law to be filed annually pursuant to the
5 provisions of this chapter.

§11-6C-4. Determination of tax on dealer vehicle inventory.

1 The annual amount of tax levied upon the dealer
2 vehicle inventory pursuant to article eight of this chapter
3 shall be based upon the market value as determined
4 pursuant to this article, times the assessment percentage
5 then provided by law.

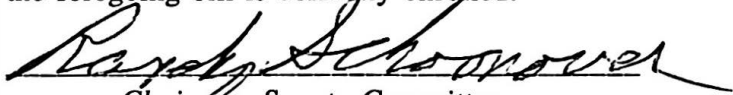
§11-6C-5. Intent of this article; tax commissioner to promulgate regulations.

1 (a) This article is adopted to address the lack of
2 uniformity, audit difficulties and business management
3 issues arising in this state with respect to the assessment of
4 the personal property held as new and used dealer vehicle
5 inventory. Accordingly, the Legislature finds and declares
6 that the adoption of this article will provide a more reliable
7 and uniform method of determining market value of
8 dealer vehicle inventory; minimize audit problems associ-
9 ated with such property; provide a predictable revenue
10 stream for levying bodies; maximize the owner's ability to
11 manage inventory; and provide clear guidance to local
12 authorities by superseding the wide variety of otherwise
13 lawful appraisal methods now in use in this state.

14 (b) The tax commissioner shall have the power to
15 promulgate such rules and regulations as may be
16 necessary to implement the provisions of this article;
17 *Provided*, That the tax commissioner shall provide to the
18 joint committee on government and finance by the first
19 day of January for the next two fiscal years, a report
20 detailing the results of the administration of this article.

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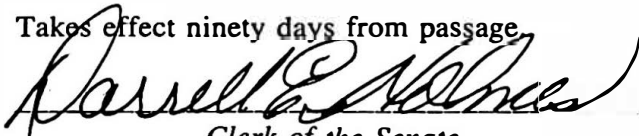
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


Chairman Senate Committee

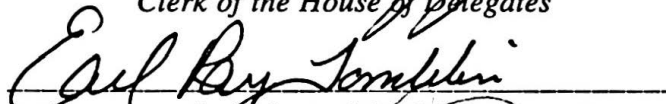

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

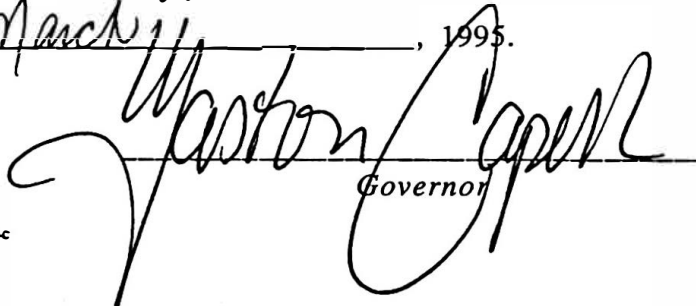

Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker of the House of Delegates

The within is approved this the 21st
day of March, 1995.


Governor



PRESENTED TO THE

GOVERNOR

Date 3/16/95

Time 4:41 pm