WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1995

ENROLLED

Com. Sub. For

HOUSE BILL No. 2270

(By Delegate S. Kiss (By Request) Rowe)

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.

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-c, chapter seventeen-a of this code, provided that house trailers and factory-built homes shall
be included within the scope of this article, 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.

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 or more gross vehicular weight. For purposes of this article, inventory subject to the provisions of this article shall be denoted "dealer vehicle inventory".


For purposes of appraisal, the market value of dealer vehicle inventory, as of the first day of July 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 the first day of July 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.

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

The owner of dealer vehicle 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.

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

The annual amount of tax levied upon the dealer vehicle 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.

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

(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. 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; 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 and regulations as may be necessary to implement the provisions of this article: Provided, That the tax commissioner shall provide to the joint committee on government and finance by the first day of January for the next two fiscal years, a report detailing the results of the administration of this article.
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