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WEST VIRGINIA LEGISLATURE

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

SEVENTY-EIGHTH LEGISLATURE

REGULAR SESSION, 2007

ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 672

(SENATOR McCABE, *original sponsor*)

[Passed March 10, 2007; in effect ninety days from passage.]

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AN ACT to amend and reenact §11-6C-1, §11-6C-2, §11-6C-3, §11-6C-4 and §11-6C-5 of the Code of West Virginia, 1931, as amended, all relating to the special method for appraising dealer vehicle inventory generally; including dealer boat inventory and daily passenger rental car inventory in the special method for appraising dealer vehicle inventory; providing the method for determining the market value of passenger rental cars held in inventory of daily passenger car rental businesses; providing the method for determining the market value of dealer motorboat inventory held by a recreational vehicle dealer; and providing the method for determining the market value of house trailers and factory-built homes.

Be it enacted by the Legislature of West Virginia:

That §11-6C-1, §11-6C-2, §11-6C-3, §11-6C-4 and §11-6C-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 6C. SPECIAL METHOD FOR APPRAISING DEALER VEHICLE INVENTORY, DEALER MOTORBOAT INVENTORY, DAILY PASSENGER RENTAL CAR INVENTORY, AND HOUSE TRAILER AND FACTORY-BUILT HOMES INVENTORY.

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

1 Notwithstanding any other provisions of law,
2 inventory of vehicles, as that term is defined in section
3 one, article one, chapter seventeen-b of this code, that
4 is held for sale or lease by new or used vehicle dealers
5 licensed under the provisions of article six, chapter
6 seventeen-a of this code or held for sale or lease by daily
7 passenger car rental businesses licensed under the
8 provisions of article six-d of said chapter and inventory
9 of motorboats, as that term is defined in section one,
10 article six of said chapter, that is held for sale or lease
11 by a recreational vehicle dealer, as that term is defined
12 in said section, that is licensed under the authority of
13 section three, article six of said chapter, consisting of
14 individual units of personal new or used property, each
15 unit of which, upon its sale to a retail purchaser, must,
16 as a matter of law, be titled in the name of the retail
17 purchaser and registered with the Division of Motor
18 Vehicles, shall be appraised for assessment purposes, as
19 set forth in this article: *Provided*, That house trailers
20 and factory-built homes shall be included within the
21 scope of this article.

22 This article does not apply to units of inventory which
23 are included in fleet sales, transactions between dealers
24 or classified as heavy duty trucks of sixteen thousand
25 pounds or more gross vehicular weight. For purposes of
26 this article, inventory subject to the provisions of this
27 article shall be denoted "dealer vehicle inventory",
28 "dealer motorboat inventory", "daily passenger rental
29 car inventory" and "house trailer and factory-built
30 homes inventory".

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

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

32 (b) For purposes of appraisal, the market value of
33 daily passenger rental car inventory, as of the first day
34 of July of each year, shall be the gross value of all daily
35 passenger rental cars made available by a daily
36 passenger rental car business on the first day of each
37 month of the immediately preceding calendar year:
38 *Provided*, That the daily passenger rental car business
39 shall add together the gross values and divide that sum

40 by twelve. For purposes of this article, "gross value"
41 means the lowest value for each vehicle as shown in a
42 nationally accepted used car guide determined by the
43 Tax Commissioner. To calculate the "gross value" of
44 any vehicle that does not appear in a nationally
45 accepted used car guide, the Tax Commissioner shall
46 determine the percent of the manufacturer's suggested
47 retail price for each such vehicle held as a daily
48 passenger rental car without deduction on account of
49 the cost of any inventory, amounts paid for interest or
50 any other expenses whatsoever. In the case of daily
51 passenger rental car businesses that were not in
52 business during the entire calendar year immediately
53 preceding the first day of July of that calendar year, the
54 assessor shall estimate the market value of such daily
55 passenger rental car inventory based on such data as
56 may be available to him or her: *Provided, however,* That
57 the assessor may extrapolate estimates using the daily
58 passenger rental car data that is made available and
59 reliable when rentals were made for a period of three
60 months or more during the prior year: *Provided further,*
61 That there shall be excluded from the appraisal
62 calculations the value of those units which were not
63 physically held as daily passenger rental car inventory
64 by the owner of the daily passenger rental car inventory
65 at any time during the preceding year. In all cases, the
66 gross value of daily passenger rental car inventory, so
67 derived, shall serve as the basis for calculating the
68 appraised value of the inventory. For purposes of this
69 article, "daily passenger rental car inventory" includes
70 all motor vehicles licensed as a class A motor vehicle as
71 defined in section one, article ten, chapter seventeen-a
72 of this code.

73 (c) For purposes of appraisal, the market value of
74 house trailer and factory-built homes inventory, as of
75 the first day of July of each year, shall be the gross sales
76 or total annual sales of such inventory made by such
77 dealer during the preceding calendar year, divided by
78 twelve, for a dealer with respect to which or whom sales
79 were made during the entire preceding year. For the
80 purposes of this article, "gross sales" or "total annual
81 sales" means the amount received in money, credits,
82 property, services or other consideration from sales
83 within this state without deduction on account of the

84 cost of the property sold, amounts paid for interest or
85 any other expenses whatsoever. Gross sales or total
86 annual sales shall not be reduced by the value of an item
87 of tangible personal property which is traded in for the
88 purpose of reducing the purchase price of the item
89 purchased. In the case of dealers who were not in
90 business during the entire calendar year immediately
91 preceding the first day of July of that calendar year, the
92 assessor shall estimate the market value of such
93 inventory based on such data as may be available to him
94 or her: *Provided*, That the assessor may extrapolate
95 estimates using such sales data as may be available and
96 reliable when sales are made for a period of three
97 months or more during the prior year: *Provided*,
98 *however*, That there shall be excluded from the
99 appraisal calculations the value of those units which
100 were not physically held as inventory by the owner of
101 the inventory at any time during the preceding year. In
102 all cases, the market value, so derived, shall serve as the
103 basis for calculating the appraised value.

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

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

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

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

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

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
4 of the personal property held as new and used dealer
5 vehicle inventory, daily passenger rental car inventory,
6 dealer motorboat inventory or house trailer and factory-
7 built homes inventory. Accordingly, the Legislature
8 finds and declares that the adoption of this article will
9 provide a more reliable and uniform method of
10 determining market value of dealer vehicle inventory,
11 daily passenger rental car inventory, dealer motorboat
12 inventory or house trailer and factory-built homes
13 inventory; minimize audit problems associated with
14 such property; provide a predictable revenue stream for
15 levying bodies; maximize the owner's ability to manage
16 inventory; and provide clear guidance to local
17 authorities by superseding the wide variety of otherwise
18 lawful appraisal methods now in use in this state.

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

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

Ch White
.....
Chairman Senate Committee

[Signature]
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Russell Adams
.....
Clerk of the Senate

Bruce D. Sy
.....
Clerk of the House of Delegates

Carl Ray Tomblin
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within *is appended* this
the *4th* Day of *April*, 2007.

[Signature]
.....
Governor

PRESENTED TO THE
GOVERNOR

APR 02 2007

Time 3:30 pm