

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Introduced

House Bill 4547

FISCAL
NOTE

BY DELEGATE SYPOLT

[Introduced January 27, 2020; Referred to the
Committee on Technology and Infrastructure then
Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article
2 designated §11-14D-1, §11-14D-2 and §11-14D-3; all relating to providing tax credits to
3 expand access to gainful employment by providing vehicles to certain low-income
4 persons; authorizing a tax credit for individual tax payers under certain conditions;
5 authorizing a tax credit to licensed automobile dealers under certain conditions; providing
6 for definitions; establishing the minimum criteria of a qualified charitable organization;
7 establishing the minimum criteria for an eligible vehicle to be used as the basis of the tax
8 credit; requiring that the Tax Commissioner track the number and amount of tax credits
9 claimed; providing that multiple qualified charitable organizations may use a percentage
10 of total allowable tax credits for the year; providing the Tax Commissioner can develop
11 criteria for allocating percentages of the total allowable tax credits to qualified charitable
12 organizations; establishing the maximum amount of tax credits for tax years 2020 through
13 2021 at \$300,000; establishing the maximum amount of tax credits for subsequent years
14 at \$1 million; and providing for rule-making authority.

Be it enacted by the Legislature of West Virginia:

ARTICLE 14D. TAX CREDIT TO PROVIDE RELIABLE AND AFFORDABLE VEHICLES
TO LOW-INCOME WORKING MEN AND WOMEN TO EXPAND ACCESS TO
EMPLOYMENT OPPORTUNITIES.

§11-14D-1. Tax Credits Allowed.

1 (a) Credit allowed. – To Individual Tax Payers. Any person subject to the taxes imposed
2 by the State of West Virginia, who donates a vehicle to a qualified organization certified eligible
3 by the qualified organization as defined by §11-14D-2 of this code, is entitled to a tax credit of up
4 to \$2,000 per vehicle donated. The amount of the tax credit received by such person shall be no
5 more than 50 percent of the fair market value of the eligible vehicle as determined by the qualified
6 charitable organization, but in no event shall be more than the fair market value of the eligible

7 vehicle. To be considered eligible under this article, a vehicle must be determined by the qualified
8 organization to be safe, in good condition, and must be used by the qualified organization in the
9 program described in §11-14D-2 of this code.

10 (b) Credit allowed. – To Licensed Automobile Dealers. Any automobile dealer licensed
11 under the laws of West Virginia, who sells an eligible vehicle certified as eligible by a qualified
12 organization as defined by §11-14D-2 of this code, to a low-income worker participating in the
13 program administered by such qualified organization, is entitled to a tax credit of up to \$2,000 per
14 vehicle sold by such dealer which is included in the program. The amount of the tax credit received
15 by such automobile dealer shall be no more than 50 percent of the amount by which the sale price
16 of the car is reduced from the fair market value of the eligible vehicle, as determined by the
17 qualified charitable organization.

§11-14D-2. Definitions.

1 For purposes of this article:

2 “Eligible Vehicle” means a vehicle eligible to be the basis of the tax credit provided by this
3 article that a qualified charitable organization determines within 14 days of the sale of the vehicle:

4 (1) The fair market value of the vehicle using widely recognized methodology of
5 determining the value of used vehicles;

6 (2) That the National Motor Vehicle Title Information System, as established by 49 U.S.C.
7 § 30502, does not indicate that the vehicle has been reported as a junk automobile or a salvage
8 automobile pursuant to 49 U.S.C. § 30504, and the certificate of title contains no brand information
9 for the vehicle and the dealer has no knowledge or reason to believe the vehicle is or should have
10 been branded or so reported;

11 (3) That the Vehicle Identification Number through the National Highway Traffic Safety
12 Administration of the U.S. Department of Transportation reveals no open, unperformed safety
13 recalls for the vehicle;

14 (4) That the dealer certifies that it has no knowledge or reason to believe the vehicle is

15 subject to any unperformed safety recall or was junked or salvaged or should have been branded
16 or so reported; and

17 (5) The dealer provides an express written warranty covering the full cost of both parts
18 and labor necessary to repair any defect that impairs the said used motor vehicle's safety or use
19 for a minimum period of 90 days or 3,000 miles after the sale, whichever is greater.

20 "Low-Income Worker" means a person living in a household with total income at or below
21 200 percent of the Federal Poverty Level.

22 "Qualified Charitable Organization" shall only mean a nonprofit association, which has
23 qualified as a nonprofit under §501(c)(3) of the United States Code, that is registered with the
24 State of West Virginia as required under the Solicitation of Charitable Funds Act, and which
25 operates a program that provides the following services:

26 (1) Provides low-income workers in the state with below-market, affordable financing to
27 purchase vehicles through the program's cooperating financial institutions;

28 (2) Assists those participating workers by providing financial counseling and other training
29 and assistance in meeting the terms of the loans used to purchase the vehicles through the
30 program;

31 (3) Certifies the vehicles eligible to be purchased through the program as meeting
32 reliability and safety guidelines as developed by the organization;

33 (4) Determines the fair market value of the cars donated to the program, based on
34 commonly accepted determinants in the marketplace, but incorporating the reliability and safety
35 considerations necessary to protect the participating workers in the program; and

36 (5) Ensures that the program furthers the interests of the state in facilitating transportation
37 for workers to access employment.

§11-14D-3. Administration of Tax Credits Available.

1 (a) Certification of Availability of Tax Credits. – The Tax Commissioner of the State of
2 West Virginia, or his or her designee, shall track the number and amount of tax credits provided

3 to taxpayers in the previous year through each qualified charitable organization, as defined by
4 §11-14D-2 of this code, and make such information available to the public, as well as such other
5 relevant information to evaluate the success of the program.

6 (b) Use of Tax Credits. – If there is more than one organization in the State of West Virginia
7 that meets the requirements to be a qualified charitable organization, as defined by §11-14D-2 of
8 this code, then each such qualified charitable organization shall be entitled to use the percentage
9 of the total as determined by the Tax Commissioner, based on criteria developed by the Tax
10 Commissioner.

11 (c) Maximum Amount Allocated to Tax Credits. – For tax years 2020 through 2021 the tax
12 credits permitted under this article shall not exceed \$300,000. In subsequent years, the tax credits
13 permitted under this article shall not exceed \$1 million.

14 (d) The Tax Commissioner is permitted to promulgate rules, including emergency rules,
15 pursuant to §29A-3-1 et seq. of this code in order to carry out the provisions of this article.

NOTE: The purpose of this bill is to establish a tax credit to facilitate the purchase of reliable and affordable vehicles to low-income working West Virginia men and women to expand access to employment opportunities.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.