

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 3200

By Delegates Crouse and Adkins

[Introduced March 06, 2025; referred to the
Committee on Finance]

1 A BILL to amend and reenact §11-15-3c of the Code of West Virginia, 1931, as amended, relating
2 to modifying the rate of tax on motor vehicles to include the exchange of used cars.

Be it enacted by the Legislature of West Virginia:

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

§11-15-3c. Imposition of consumers sales tax on motor vehicle sales; rate of tax; use of motor vehicle purchased out of state; definition of sale; definition of motor vehicle; exemptions; collection of tax by Division of Motor Vehicles; dedication of tax to highways; legislative and emergency rules.

1 (a) Notwithstanding any provision of this article or article fifteen-a of this chapter to the
2 contrary, beginning on July 1, 2008, all motor vehicle sales to West Virginia residents shall be
3 subject to the consumers sales tax imposed by this article.

4 (b) *Rate of tax on motor vehicles.* — ~~Notwithstanding any provision of this article or article~~
5 ~~fifteen-a of this chapter to the contrary, the rate of tax on the sale and use of a motor vehicle shall~~
6 ~~be five percent of its sale price, as defined in section two, article fifteen-b of this chapter: *Provided,*~~
7 ~~That so much of the sale price or consideration as is represented by the exchange of other~~
8 ~~vehicles on which the tax imposed by this section or section four, article three, chapter seventeen-~~
9 ~~a of this code has been paid by the purchaser shall be deducted from the total actual sale price~~
10 ~~paid for the motor vehicle, whether the motor vehicle be new or used. However, beginning July 1,~~
11 ~~2017, the rate of tax imposed by this section shall increase to six percent of the sales price for~~
12 ~~purchases of motor vehicles made on and after that date.~~

13 Notwithstanding any provision of this article or §11-15A-1 et seq. to the contrary, the rate of
14 tax on the sale and use of a motor vehicle shall be five percent of its sale price, as defined in §11-
15 15B-2 of this code: *Provided,* That so much of the sale price or consideration as is represented by
16 the exchange of other vehicles on which the tax imposed by this section or §17A-3-4 of this code
17 has been paid by the purchaser shall be deducted from the total actual sale price paid for the motor
18 vehicle, whether the motor vehicle be new or used. "Exchange of other vehicles" may include the

19 sale of vehicles covered by this section and titled in the same taxpayer name within seven days of
20 the title application for a new/used vehicle. A notarized bill of sale showing the sold vehicle must
21 be presented with the title application to qualify, and the sold vehicle may only be used in one
22 exchange. However, beginning July 1, 2017, the rate of tax imposed by this section shall increase
23 to six percent of the sales price for purchases of motor vehicles made on and after that date.

24 (c) *Motor vehicles purchased out of state.* — Notwithstanding this article or article fifteen-a
25 to the contrary, the tax imposed by this section shall apply to all motor vehicles, used as defined by
26 section one, article fifteen-a of this chapter, within this state, regardless of whether the vehicle was
27 purchased in a state other than West Virginia.

28 (d) *Definition of sale.* — Notwithstanding any provision of this article or article fifteen-a of
29 this chapter to the contrary, for purposes of this section, "sale", "sales" or "selling" means any
30 transfer or lease of the possession or ownership of a motor vehicle for consideration, including
31 isolated transactions between individuals not being made in the ordinary course of repeated and
32 successive business and also including casual and occasional sales between individuals not
33 conducted in a repeated manner or in the ordinary course of repetitive and successive
34 transactions.

35 (e) *Definition of motor vehicle.* — For purposes of this section, "motor vehicle" means
36 every propellable device in or upon which any person or property is or may be transported or
37 drawn upon a highway including, but not limited to: Automobiles; buses; motor homes;
38 motorcycles; motorboats; all-terrain vehicles; snowmobiles; low-speed vehicles; trucks, truck
39 tractors and road tractors having a weight of less than fifty-five thousand pounds; trailers,
40 semitrailers, full trailers, pole trailers and converter gear having a gross weight of less than two
41 thousand pounds; and motorboat trailers, fold-down camping trailers, traveling trailers, house
42 trailers and motor homes; except that the term "motor vehicle" does not include: Modular homes,
43 manufactured homes, mobile homes, similar nonmotive propelled vehicles susceptible of being
44 moved upon the highways but primarily designed for habitation and occupancy; devices operated

regularly for the transportation of persons for compensation under a certificate of convenience and necessity or contract carrier permit issued by the Public Service Commission; mobile equipment as defined in section one, article one, chapter seventeen-a of this code; special mobile equipment as defined in section one, article one, chapter seventeen-a of this code; trucks, truck tractors and road tractors having a gross weight of fifty-five thousand pounds or more; trailers, semitrailers, full trailers, pole trailers and converter gear having weight of two thousand pounds or greater: *Provided*, That notwithstanding the provisions of section nine, article fifteen, chapter eleven of this code, the exemption from tax under this section for mobile equipment as defined in section one, article one, chapter seventeen-a of this code; special mobile equipment defined in section one, article one, chapter seventeen-a of this code; Class B trucks, truck tractors and road tractors registered at a gross weight of fifty-five thousand pounds or more; and Class C trailers, semitrailers, full trailers, pole trailers and converter gear having weight of two thousand pounds or greater does not subject the sale or purchase of the vehicle to the consumers sales and service tax imposed by section three of this article.

(f) *Exemptions.* — Notwithstanding any other provision of this code to the contrary, the tax imposed by this section shall not be subject to any exemption in this code other than the following:

(1) The tax imposed by this section does not apply to any passenger vehicle offered for rent in the normal course of business by a daily passenger rental car business as licensed under the provisions of article six-d, chapter seventeen-a of this code. For purposes of this section, a daily passenger car means a motor vehicle having a gross weight of eight thousand pounds or less and is registered in this state or any other state. In lieu of the tax imposed by this section, there is hereby imposed a tax of not less than \$1 nor more than \$1.50 for each day or part of the rental period. The Commissioner of the Division of Motor Vehicles shall propose an emergency rule in accordance with the provisions of article three, chapter twenty-nine-a of this code to establish this tax.

(2) The tax imposed by this section does not apply where the motor vehicle has been

71 acquired by a corporation, partnership or limited liability company from another corporation,
72 partnership or limited liability company that is a member of the same controlled group and the
73 entity transferring the motor vehicle has previously paid the tax on that motor vehicle imposed by
74 this section. For the purposes of this section, control means ownership, directly or indirectly, of
75 stock or equity interests possessing fifty percent or more of the total combined voting power of all
76 classes of the stock of a corporation or equity interests of a partnership or limited liability company
77 entitled to vote or ownership, directly or indirectly, of stock or equity interests possessing fifty
78 percent or more of the value of the corporation, partnership or limited liability company.

79 (3) The tax imposed by this section does not apply where motor vehicle has been acquired
80 by a senior citizen service organization which is exempt from the payment of income taxes under
81 the United States Internal Revenue Code, Title 26 U. S. C. §501(c)(3) and which is recognized to
82 be a bona fide senior citizen service organization by the Bureau of Senior Services existing under
83 the provisions of article five-p, chapter sixteen of this code.

84 (4) The tax imposed by this section does not apply to any active duty military personnel
85 stationed outside of West Virginia who acquires a motor vehicle by sale within nine months from
86 the date the person returns to this state.

87 (5) The tax imposed by this section does not apply to motor vehicles acquired by registered
88 dealers of this state for resale only.

89 (6) The tax imposed by this section does not apply to motor vehicles acquired by this state
90 or any political subdivision thereof or by any volunteer fire department or duly chartered rescue or
91 ambulance squad organized and incorporated under the laws of this state as a nonprofit
92 corporation for protection of life or property.

93 (7) The tax imposed by this section does not apply to motor vehicles acquired by an urban
94 mass transit authority, as defined in article twenty-seven, chapter eight of this code, or a nonprofit
95 entity exempt from federal and state income tax under the Internal Revenue Code for the purpose
96 of providing mass transportation to the public at large or designed for the transportation of persons

and being operated for the transportation of persons in the public interest.

(8) The tax imposed by this section does not apply to the registration of a vehicle owned and titled in the name of a resident of this state if the applicant:

(A) Was not a resident of this state at the time the applicant purchased or otherwise acquired ownership of the vehicle;

(B) Presents evidence as the Commissioner of the Division of Motor Vehicles may require of having titled the vehicle in the applicant's previous state of residence;

(C) Has relocated to this state and can present such evidence as the Commissioner of the Division of Motor Vehicles may require to show bona fide residency in this state; and

(D) Makes application to the Division of Motor Vehicles for a title and registration and pays all other fees required by chapter seventeen-a of this code within thirty days of establishing residency in this state as prescribed in subsection (a), section one-a of this article.

(9) On and after January 1, 2009, the tax imposed by this section does not apply to Class B trucks, truck tractors and road tractors registered at a gross weight of fifty-five thousand pounds or more or to Class C trailers, semitrailers, full trailers, pole trailers and converter gear having a weight of two thousand pounds or greater. If an owner of a vehicle has previously titled the vehicle at a declared gross weight of fifty-five thousand pounds or more and the title was issued without the payment of the tax imposed by this section, then before the owner may obtain registration for the vehicle at a gross weight less than fifty-five thousand pounds, the owner shall surrender to the commissioner the exempted registration, the exempted certificate of title and pay the tax imposed by this section based upon the current market value of the vehicle.

(10) The tax imposed by this section does not apply to vehicles leased by residents of West Virginia. On or after January 1, 2009, a tax is imposed upon the monthly payments for the lease of any motor vehicle leased under a written contract of lease by a resident of West Virginia for a contractually specified continuous period of more than thirty days, which tax is equal to five percent of the amount of the monthly payment, applied to each payment, and continuing for the

entire term of the initial lease period. The tax shall be remitted to the Division of Motor Vehicles on a monthly basis by the lessor of the vehicle. Leases of thirty days or less are taxable under the provisions of this article and article fifteen-a of this chapter without reference to this section.

(g) *Division of Motor Vehicles to collect.* — Notwithstanding any provision of this article, article fifteen-a and article ten of this chapter to the contrary, the Division of Motor Vehicles shall collect the tax imposed by this section: *Provided*, That such tax is imposed upon the monthly payments for the lease of any motor vehicle leased by a resident of West Virginia, which tax is equal to five percent of the amount of the monthly payment, applied to each payment, and continuing for the entire term of the initial lease period. The tax shall be remitted to the Division of Motor Vehicles on a monthly basis by the lessor of the vehicle.

(h) *Dedication of tax to highways.* — Notwithstanding any provision of this article or article fifteen-a of this chapter to the contrary, all taxes collected pursuant to this section, after deducting the amount of any refunds lawfully paid, shall be deposited in the State Road Fund in the State Treasury and expended by the Commissioner of Highways for design, maintenance and construction of roads in the state highway system.

(i) *Legislative rules; emergency rules.* — Notwithstanding any provision of this article, article fifteen-a and article ten of this chapter to the contrary, the Commissioner of the Division of Motor Vehicles shall promulgate legislative rules explaining and implementing this section, which rules shall be promulgated in accordance with the provisions of article three, chapter twenty-nine-a of this code and should include a minimum taxable value and set forth instances when a vehicle is to be taxed at fair market value rather than its purchase price. The authority to promulgate rules includes authority to amend or repeal those rules. If proposed legislative rules for this section are filed in the State Register before June 15, 2008, those rules may be promulgated as emergency legislative rules as provided in article three, chapter twenty-nine-a of this code.

(j) Notwithstanding any other provision of this code, effective January 1, 2009, no municipal sales or use tax or local sales or use tax or special downtown redevelopment district

149 excise tax or special district excise tax shall be imposed under article twenty-two, chapter seven of
150 this code or article thirteen, chapter eight of this code or article thirteen-b of said chapter or article
151 thirty-eight of said chapter or any other provision of this code, except this section, on sales of
152 motor vehicles as defined in this article or on any tangible personal property excepted or exempted
153 from tax under this section. Nothing in this subsection shall be construed to prevent the application
154 of the municipal business and occupation tax on motor vehicle retailers and leasing companies.

NOTE: The purpose of this bill is to modify the rate of tax on motor vehicles to include the exchange of used cars.

This article is new, therefore, strike-throughs and underscoring have been omitted; all language is new.