

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4064

**FISCAL
NOTE**

By Delegate Crouse

[Introduced January 14, 2026; 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 §11-15A-1 *et seq.* of this code 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
fifteen-a of this chapter to the contrary, the rate of tax on the sale and use of a motor vehicle shall
be five percent of its sale price, as defined in section two, article fifteen-b of this chapter: Provided,~~
5 ~~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.* of this code to the
14 contrary, the rate of tax on the sale and use of a motor vehicle shall be five percent of its sale price,
15 as defined in §11-15B-2 of this code: Provided, That so much of the sale price or consideration as
16 is represented by the exchange of other vehicles on which the tax imposed by this section or
17 §17A-3-4 of this code has been paid by the purchaser shall be deducted from the total actual sale
18 price paid for the motor vehicle, whether the motor vehicle be new or used. "Exchange of other

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

25 (c) *Motor vehicles purchased out of state.* — Notwithstanding this article or §11-15A-1 *et*
26 *seq.* of this code to the contrary, the tax imposed by this section shall apply to all motor vehicles,
27 used as defined by §11-15A-1 of this code, within this state, regardless of whether the vehicle was
28 purchased in a state other than West Virginia.

29 (d) *Definition of sale.* — Notwithstanding any provision of this article or §11-15A-1 *et seq.* of
30 this code to the contrary, for purposes of this section, "sale", "sales" or "selling" means any transfer
31 or lease of the possession or ownership of a motor vehicle for consideration, including isolated
32 transactions between individuals not being made in the ordinary course of repeated and
33 successive business and also including casual and occasional sales between individuals not
34 conducted in a repeated manner or in the ordinary course of repetitive and successive
35 transactions.

36 (e) *Definition of motor vehicle.* — For purposes of this section, "motor vehicle" means
37 every propellable device in or upon which any person or property is or may be transported or
38 drawn upon a highway including, but not limited to: Automobiles; buses; motor homes;
39 motorcycles; motorboats; all-terrain vehicles; snowmobiles; low-speed vehicles; trucks, truck
40 tractors and road tractors having a weight of less than 55 thousand pounds; trailers, semitrailers,
41 full trailers, pole trailers and converter gear having a gross weight of less than two thousand
42 pounds; and motorboat trailers, fold-down camping trailers, traveling trailers, house trailers and
43 motor homes; except that the term "motor vehicle" does not include: Modular homes,
44 manufactured homes, mobile homes, similar nonmotive propelled vehicles susceptible of being

45 moved upon the highways but primarily designed for habitation and occupancy; devices operated
46 regularly for the transportation of persons for compensation under a certificate of convenience and
47 necessity or contract carrier permit issued by the Public Service Commission; mobile equipment
48 as defined in §17A-1-1 of this code; special mobile equipment as defined in §17A-1-1 of this code;
49 trucks, truck tractors and road tractors having a gross weight of 55 thousand pounds or more;
50 trailers, semitrailers, full trailers, pole trailers and converter gear having weight of two thousand
51 pounds or greater: *Provided*, That notwithstanding the provisions of §11-15-9 of this code, the
52 exemption from tax under this section for mobile equipment as defined in §17A-1-1 of this code;
53 special mobile equipment defined in §17A-1-1 of this code; Class B trucks, truck tractors and road
54 tractors registered at a gross weight of 55 thousand pounds or more; and Class C trailers,
55 semitrailers, full trailers, pole trailers and converter gear having weight of two thousand pounds or
56 greater does not subject the sale or purchase of the vehicle to the consumers sales and service
57 tax imposed by §11-15-3 of this code.

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

60 (1) The tax imposed by this section does not apply to any passenger vehicle offered for rent
61 in the normal course of business by a daily passenger rental car business as licensed under the
62 provisions of §17A-6D-1 *et seq.* of this code. For purposes of this section, a daily passenger car
63 means a motor vehicle having a gross weight of eight thousand pounds or less and is registered in
64 this state or any other state. In lieu of the tax imposed by this section, there is hereby imposed a
65 tax of not less than \$1 nor more than \$1.50 for each day or part of the rental period. The
66 Commissioner of the Division of Motor Vehicles shall propose an emergency rule in accordance
67 with the provisions of §29A-3-1 *et seq.* of this code to establish this tax.

68 (2) The tax imposed by this section does not apply where the motor vehicle has been
69 acquired by a corporation, partnership or limited liability company from another corporation,
70 partnership or limited liability company that is a member of the same controlled group and the

71 entity transferring the motor vehicle has previously paid the tax on that motor vehicle imposed by
72 this section. For the purposes of this section, control means ownership, directly or indirectly, of
73 stock or equity interests possessing 50 percent or more of the total combined voting power of all
74 classes of the stock of a corporation or equity interests of a partnership or limited liability company
75 entitled to vote or ownership, directly or indirectly, of stock or equity interests possessing 50
76 percent or more of the value of the corporation, partnership or limited liability company.

77 (3) The tax imposed by this section does not apply where motor vehicle has been acquired
78 by a senior citizen service organization which is exempt from the payment of income taxes under
79 the United States Internal Revenue Code, Title 26 U. S. C. §501(c)(3) and which is recognized to
80 be a bona fide senior citizen service organization by the Bureau of Senior Services existing under
81 the provisions of §16-5P-1 *et seq.* of this code.

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

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

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

91 (7) The tax imposed by this section does not apply to motor vehicles acquired by an urban
92 mass transit authority, as defined in §8-27-1 *et seq.* of this code, or a nonprofit entity exempt from
93 federal and state income tax under the Internal Revenue Code for the purpose of providing mass
94 transportation to the public at large or designed for the transportation of persons and being
95 operated for the transportation of persons in the public interest.

96 (8) The tax imposed by this section does not apply to the registration of a vehicle owned

97 and titled in the name of a resident of this state if the applicant:

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

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

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

104 (D) Makes application to the Division of Motor Vehicles for a title and registration and pays
105 all other fees required by §17A-1-1 *et seq.* of this code within 30 days of establishing residency in
106 this state. ~~as prescribed in subsection (a), section one-a of this article.~~

107 (9) On and after January 1, 2009, the tax imposed by this section does not apply to Class B
108 trucks, truck tractors and road tractors registered at a gross weight of 55 thousand pounds or more
109 or to Class C trailers, semitrailers, full trailers, pole trailers and converter gear having a weight of
110 two thousand pounds or greater. If an owner of a vehicle has previously titled the vehicle at a
111 declared gross weight of 55 thousand pounds or more and the title was issued without the
112 payment of the tax imposed by this section, then before the owner may obtain registration for the
113 vehicle at a gross weight less than 55 thousand pounds, the owner shall surrender to the
114 commissioner the exempted registration, the exempted certificate of title and pay the tax imposed
115 by this section based upon the current market value of the vehicle.

116 (10) The tax imposed by this section does not apply to vehicles leased by residents of West
117 Virginia. On or after January 1, 2009, a tax is imposed upon the monthly payments for the lease of
118 any motor vehicle leased under a written contract of lease by a resident of West Virginia for a
119 contractually specified continuous period of more than 30 days, which tax is equal to five percent
120 of the amount of the monthly payment, applied to each payment, and continuing for the entire term
121 of the initial lease period. The tax shall be remitted to the Division of Motor Vehicles on a monthly
122 basis by the lessor of the vehicle. Leases of 30 days or less are taxable under the provisions of this

123 article and §11-15A-1 *et seq.* without reference to this section.

124 (g) *Division of Motor Vehicles to collect.* — Notwithstanding any provision of this article,
125 §11-15A-1 *et seq.*, or §11-10-1 *et seq.* of this code to the contrary, the Division of Motor Vehicles
126 shall collect the tax imposed by this section: *Provided*, That such tax is imposed upon the monthly
127 payments for the lease of any motor vehicle leased by a resident of West Virginia, which tax is
128 equal to five percent of the amount of the monthly payment, applied to each payment, and
129 continuing for the entire term of the initial lease period. The tax shall be remitted to the Division of
130 Motor Vehicles on a monthly basis by the lessor of the vehicle.

131 (h) *Dedication of tax to highways.* — Notwithstanding any provision of this article or §11-
132 15A-1 *et seq.* to the contrary, all taxes collected pursuant to this section, after deducting the
133 amount of any refunds lawfully paid, shall be deposited in the State Road Fund in the State
134 Treasury and expended by the Commissioner of Highways for design, maintenance and
135 construction of roads in the state highway system.

136 (i) *Legislative rules; emergency rules.* — Notwithstanding any provision of this article, §11-
137 15A-1 *et seq.*, or §11-10-1 *et seq.* of this code to the contrary, the Commissioner of the Division of
138 Motor Vehicles shall promulgate legislative rules explaining and implementing this section, which
139 rules shall be promulgated in accordance with the provisions of §29A-3-1 *et seq.* of this code and
140 should include a minimum taxable value and set forth instances when a vehicle is to be taxed at
141 fair market value rather than its purchase price. The authority to promulgate rules includes
142 authority to amend or repeal those rules. If proposed legislative rules for this section are filed in the
143 State Register before June 15, 2008, those rules may be promulgated as emergency legislative
144 rules as provided in §29A-3-1 *et seq.* of this code.

145 (j) Notwithstanding any other provision of this code, effective January 1, 2009, no
146 municipal sales or use tax or local sales or use tax or special downtown redevelopment district
147 excise tax or special district excise tax shall be imposed under §7-22-1 *et seq.*, §8-13-1 *et seq.*,
148 §8-13B-1 *et seq.*, and §8-38-1 *et seq.*, or any other provision of this code, except this section, on

149 sales of motor vehicles as defined in this article or on any tangible personal property excepted or
150 exempted from tax under this section. Nothing in this subsection shall be construed to prevent the
151 application of the municipal business and occupation tax on motor vehicle retailers and leasing
152 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.