

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5460

FISCAL
NOTE

By Delegates Gearheart, Lucas, Chiarelli,
Hillenbrand, Sheedy, Brooks, Crouse, Butler, Heckert,
G. Howell, and B. Ward

[Introduced February 12, 2026; referred to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
 2 designated §11-27-1, §11-27-2, §11-27-3, §11-27-4, and §11-27-5, relating to establishing
 3 the Construction Cost Relief Act; providing for refund of certain construction materials;
 4 establishing a method for calculating rebate; providing that credit cannot be assigned to
 5 another; and established effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 27. CONSTRUCTION COST RELIEF ACT.

<u>§11-27-1.</u>	<u>Short</u>	<u>Title.</u>
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1 This article shall be referred to as the Construction Cost Relief Act.

§11-27-2. Refund of sales tax for materials purchased for new housing construction.

1 (a) The tax imposed by this article shall be refunded to any person who buys construction
 2 materials to build new housing for residential use (single family homes) for home ownership in the
 3 State of West Virginia.

4 (b) The rebate will be at the conclusion of construction, and upon the home sale. The
 5 recorded sales price of the house will be established on the "Closing Disclosure."

6 (c) The rebate will apply only to new home construction.

§11-27-3. Calculation of rebate.

1 (a) The annual housing index report, produced by the State Tax Department, in
 2 accordance with §11-1-2b of this code, shall be utilized in the year it is produced and shall remain
 3 effective for purposes of this article until a new report is published.

4 (b) Each county above the state average sales price value will use 1.35 times for the
 5 maximum sales value on which a rebate is eligible. Houses sold in counties below the State
 6 Average will use the State Average times 1.35 for the maximum sale value on the closing
 7 disclosure.

8 (c) The following limitations apply:

9 (1) A new home builder who sells the home may claim up to 30 percent of the sales price

10 on the "closing disclosure" as the established value of materials calculated above.

11 (2) In lieu of the sales price for a new home builder who uses the home for his or her
12 primary residence may, the construction loan amount may be used.

§11-27-4. Assignability.

1 The right to receive any refund under the provisions of this section shall not be assignable
2 and any assignment thereof shall be void and of no effect. The tax Commissioner shall cause a
3 refund to be made under the authority of this section only when the claim for such refund is filed
4 with the tax Commissioner, upon forms prescribed by the tax Commissioner, within one year of the
5 completion of construction. Any claim for a refund not timely filed shall not be construed to be or
6 constitute a moral obligation of the State of West Virginia for payment.

§11-27-5. Effective Date.

1 The provision of this section shall apply to all homes for which construction begins on or
2 after July 1, 2026.

NOTE: The purpose of this bill is to establish a tax rebate for new home construction.

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