

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

Senate Bill 156

**FISCAL
NOTE**

By Senator Chapman

[Introduced January 14, 2026; referred

to the Committee on Finance]

1 A BILL to amend and reenact §11-13MM-3 of the Code of West Virginia, 1931, as amended,
2 relating to the motor vehicle property tax adjustment refund and streamlining the rebate
3 process; providing a refund instead of a tax credit; and clarifying the reimbursement
4 process of the tax refund.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13MM. WEST VIRGINIA PROPERTY TAX ADJUSTMENT ACT.

§11-13MM-3. Motor vehicle property tax adjustment credit refund.

1 (a) Credit Refund allowed. — There shall be allowed to every eligible taxpayer a credit
2 refund, as determined under this section, against the tax imposed under §11-21-1 *et seq.* of this
3 code, or against the tax imposed under §11-24-1 *et seq.* of this code, as applicable.

4 (b) "Eligible taxpayer" defined.—

5 (1) "Eligible taxpayer" — Owned motor vehicles — "Eligible taxpayer" means any person
6 who owns a motor vehicle for which the ad valorem property tax has been paid during the
7 corporation net income tax taxable year or the personal income tax taxable year, as applicable.

8 For purposes of this definition, ownership of a motor vehicle includes ownership and possession of
9 a motor vehicle for which a title has been issued by the Division of Motor Vehicles to the eligible
10 taxpayer. For purposes of this definition, ownership of a motor vehicle also includes ownership and
11 possession of a motor vehicle, subject to a purchase financing arrangement whereby a financial
12 institution holds a lien on the motor vehicle, or for which ultimate issuance of title by the Division of
13 Motor Vehicles to the taxpayer, as owner of the motor vehicle, is contingent upon payment in full of
14 the purchase price of the motor vehicle pursuant to an installment payment financing
15 arrangement.

16 (2) "Eligible taxpayer" — Leased motor vehicles — "Eligible taxpayer" also means and
17 includes any lessor of a motor vehicle, as herein defined, who owns a motor vehicle for which the
18 ad valorem property tax has been paid during the corporation net income tax taxable year or the
19 personal income tax taxable year, as applicable: *Provided*, That, the lessor shall pass on to the

20 lessee the value of the tax credit refund asserted by the lessor by causing a decreasing in the
21 amount of rent or lease payment payable by the lessee on the leased motor vehicle.

22 (3) "Eligible taxpayer" – Pass through entities — "Eligible taxpayer" also means and
23 includes any owner, interest holder, partner or S corporation shareholder that derives conduit
24 income from a pass-through entity.

25 (4) "Eligible taxpayer" – Prohibition for motor vehicle dealers — "Eligible taxpayer" does
26 not mean or include any motor vehicle dealer, motor vehicle dealership, retailer or any business
27 that sells new or used motor vehicles at the retail level, other than a lessor of motor vehicles. In
28 circumstances where any such motor vehicle dealer, motor vehicle dealership, retailer or business
29 that sells new or used motor vehicles at the retail level is engaged in both retail sales of motor
30 vehicles, and leasing of motor vehicles as lessor, the tax credit refund authorized by this article
31 may only be asserted by such business based upon the ad valorem property tax paid on leased
32 motor vehicles, and only to the extent that the lessor has passed on, to the lessee, the value of the
33 tax credit refund asserted by the lessor by causing a decreasing in the amount of rent or lease
34 payment payable by the lessee on the leased motor vehicle. No credit refund may be asserted or
35 applied by the business based upon ad valorem property tax paid on motor vehicle retail
36 inventories, not actively leased to lessees. To the extent that motor vehicle retail inventories may
37 be held as both motor vehicle retail inventories, and as motor vehicles potentially subject to lease
38 during the taxable year, ad valorem property tax paid on such motor vehicles is excluded from
39 eligibility for the tax credit refund authorized by this article.

40 (c) Amount of credit refund. – The amount of credit refund allowed under this article to the
41 eligible taxpayer is the amount of West Virginia ad valorem property tax timely paid during the
42 personal income taxable year or the corporation net income tax taxable year, as applicable, to a
43 county sheriff on the value of a motor vehicle owned by the eligible taxpayer: *Provided*, That in no
44 case shall any credit refund be allowed under this article for any untimely ad valorem property tax

45 paid, or any payment of delinquent ad valorem property tax, or payment of "back tax" ad valorem
46 property taxes.

47 (d) ~~Application of credit against personal income tax and corporation net income tax.~~ —

48 (1) ~~Personal income tax~~ — If the ~~eligible taxpayer is subject to the personal income tax~~
49 ~~imposed by §11-21-1 et seq. of this code, the amount of credit allowed shall be taken against the~~
50 ~~personal income tax liability of the eligible taxpayer for the current personal income tax taxable~~
51 ~~year.~~

52 (2) ~~Corporation net income tax~~ — If the ~~eligible taxpayer is subject to the corporation net~~
53 ~~income tax imposed by §11-24-1 et seq. of this code, the amount of credit allowed shall be taken~~
54 ~~against the corporation net income tax liability of the eligible taxpayer for the current corporation~~
55 ~~net income tax taxable year.~~

56 Reimbursement process of the tax refund. — The Sheriff's Office, pursuant to §7-5-1 of the
57 code, shall submit a report to the Tax Division weekly providing the information on the eligible
58 taxpayers who are entitled to the refund. Reimbursement of the refund shall be made within 30
59 days of payment to an eligible taxpayer by the Tax Division. Reimbursement of the refund is
60 provided through a check sent by mail and distributed by the State Treasurer's Office, or direct
61 deposit.

62 (e) ~~Refundable portion of annual credit allowance.~~ — If annual tax credit allowed under this
63 article exceeds the amount of personal income tax or corporation net income tax, as applicable,
64 subject to offset under this article in any taxable year, the eligible taxpayer may claim, for that
65 taxable year, the excess amount as a refundable tax credit.

66 (f) (e) ~~Transfer or sale of the motor vehicle.~~ —

67 (1) Where there is a sale or transfer of the motor vehicle from an eligible taxpayer to any
68 other person or entity, the transferor retains entitlement to the tax ~~credit refund~~ authorized under
69 this article for the timely paid ad valorem property tax paid by the transferor. ~~in the transferor's~~

70 personal income tax taxable year or corporation net income tax taxable year, as applicable, on the
71 transferred motor vehicle

72 (2) If the transferee meets all requirements for qualification as an eligible taxpayer under
73 this article and meets all requirements for entitlement to the tax credit refund authorized under this
74 article, then the transferee shall be entitled to the tax credit refund authorized under this article for
75 the timely paid ad valorem property tax paid by the transferee ~~in the transferee's personal income~~
76 ~~tax taxable year or corporation net income tax taxable year, as applicable on the eligible motor~~
77 ~~vehicle.~~

78 (3) In no case shall the transferor and the transferee take the tax credit refund authorized
79 under this article for the same taxable year.

80 (g) (f) Annual schedule. — The Tax Commissioner shall prescribe and supply all necessary
81 instructions and forms for administration of this section. ~~For purposes of asserting the credit~~
82 ~~against tax, the taxpayer shall prepare and file an annual schedule showing the amount of~~
83 ~~personal income tax paid for the taxable year, and the amount of property tax paid on the motor~~
84 ~~vehicle for the taxable year, and the amount of credit allowed under this article.~~ The annual
85 schedule shall set forth the information and be in the form prescribed by the Tax Commissioner

NOTE: The purpose of this bill is to streamline the motor vehicle property tax adjustment by providing a refund within 30 days of paying your taxes.

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