

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 594**

By Senator Chapman

[Introduced January 23, 2026; referred  
to Committee on Military; and then 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 creating an exemption for disabled veterans from vehicle sales tax; setting forth  
3 qualifications; providing rule-making authority; providing an effective date; and providing  
4 an expiration date.

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

17 (d) Definition of sale. — Notwithstanding any provision of this article or article fifteen-a of  
18 this chapter to the contrary, for purposes of this section, "sale", "sales" or "selling" means any  
19 transfer or lease of the possession or ownership of a motor vehicle for consideration, including  
20 isolated transactions between individuals not being made in the ordinary course of repeated and  
21 successive business and also including casual and occasional sales between individuals not  
22 conducted in a repeated manner or in the ordinary course of repetitive and successive  
23 transactions.

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

43 article one, chapter seventeen-a of this code; Class B trucks, truck tractors and road tractors  
44 registered at a gross weight of fifty-five thousand pounds or more; and Class C trailers,  
45 semitrailers, full trailers, pole trailers and converter gear having weight of two thousand pounds or  
46 greater does not subject the sale or purchase of the vehicle to the consumers sales and service  
47 tax imposed by section three of this article.

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

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

59 (2) The tax imposed by this section does not apply where the motor vehicle has been  
60 acquired by a corporation, partnership or limited liability company from another corporation,  
61 partnership or limited liability company that is a member of the same controlled group and the  
62 entity transferring the motor vehicle has previously paid the tax on that motor vehicle imposed by  
63 this section. For the purposes of this section, control means ownership, directly or indirectly, of  
64 stock or equity interests possessing fifty percent or more of the total combined voting power of all  
65 classes of the stock of a corporation or equity interests of a partnership or limited liability company  
66 entitled to vote or ownership, directly or indirectly, of stock or equity interests possessing fifty  
67 percent or more of the value of the corporation, partnership or limited liability company.

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

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

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

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

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

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

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

91 (B) Presents evidence as the Commissioner of the Division of Motor Vehicles may require  
92 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.

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

107 (10) The tax imposed by this section does not apply to vehicles leased by residents of  
108 West Virginia. On or after January 1, 2009, a tax is imposed upon the monthly payments for the  
109 lease of any motor vehicle leased under a written contract of lease by a resident of West Virginia  
110 for a contractually specified continuous period of more than thirty days, which tax is equal to five  
111 percent of the amount of the monthly payment, applied to each payment, and continuing for the  
112 entire term of the initial lease period. The tax shall be remitted to the Division of Motor Vehicles on  
113 a monthly basis by the lessor of the vehicle. Leases of thirty days or less are taxable under the  
114 provisions of this article and article fifteen-a of this chapter without reference to this section.

115 (11) The tax imposed by this section does not apply to one motor vehicle owned and used  
116 primarily by or for a veteran of the Armed Forces of the United States or the West Virginia National  
117 Guard who has been rated by the U.S. Department of Veterans Affairs or its successor agency  
118 pursuant to federal law with a 90 percent service-connected, permanent, and total disability.

119        (A) Any such motor vehicle owned by a married person may qualify if either spouse is a  
120        veteran who is rated as 90% disabled.

121        (B) The Tax Commissioner may propose rules necessary to carry out the provisions of this  
122        section and to provide guidelines and requirements to ensure uniform administrative practices  
123        statewide to effect the intent of this section, all in accordance with the provisions of §29A-3-1 et  
124        seq. of this code.

125        (C) The exemption shall be applicable beginning on the date the motor vehicle is acquired  
126        or January 1, 2027, whichever is later.

127        (D) The exemption shall expire on the date of the disabled veteran's death and shall not be  
128        available for the surviving spouse.

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

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

141        (i) Legislative rules; emergency rules. — Notwithstanding any provision of this article,  
142        article fifteen-a and article ten of this chapter to the contrary, the Commissioner of the Division of  
143        Motor Vehicles shall promulgate legislative rules explaining and implementing this section, which  
144        rules shall be promulgated in accordance with the provisions of article three, chapter twenty-nine-

145 a of this code and should include a minimum taxable value and set forth instances when a vehicle  
146 is to be taxed at fair market value rather than its purchase price. The authority to promulgate rules  
147 includes authority to amend or repeal those rules. If proposed legislative rules for this section are  
148 filed in the State Register before June 15, 2008, those rules may be promulgated as emergency  
149 legislative rules as provided in article three, chapter twenty-nine-a of this code.

150 (j) Notwithstanding any other provision of this code, effective January 1, 2009, no  
151 municipal sales or use tax or local sales or use tax or special downtown redevelopment district  
152 excise tax or special district excise tax shall be imposed under article twenty-two, chapter seven of  
153 this code or article thirteen, chapter eight of this code or article thirteen-b of said chapter or article  
154 thirty-eight of said chapter or any other provision of this code, except this section, on sales of  
155 motor vehicles as defined in this article or on any tangible personal property excepted or exempted  
156 from tax under this section. Nothing in this subsection shall be construed to prevent the application  
157 of the municipal business and occupation tax on motor vehicle retailers and leasing companies.

NOTE: The purpose of this bill is to create an exemption for disabled veterans from vehicle sales tax.

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