



WEST VIRGINIA  
**STATE TAX DEPARTMENT**

Joint Select Committee on Tax Reform  
June 9, 2015

Property Tax Director, Jeff Amburgey

**Constitution of West Virginia**  
**ARTICLE X**  
**Taxation and finance**

Taxation shall be equal and uniform throughout the state, and all property, both real and personal, shall be taxed in proportion to its value.

All property subject to ad valorem taxation shall be assessed at 60 % of its value.

WEST VIRGINIA STATE TAX DEPARTMENT

## Mechanics of Property Taxes

Appraised Value X 60% = Assessed Value

Assessed Value X Tax Rate = Taxes

WV STATE TAX DEPARTMENT

## State versus Local

### State Tax Department

Public Utility Property  
Oil & Gas Property  
Coal Property  
Industrial Property  
Managed Timberland

### Local Assessors

Residential Property  
Commercial Property  
Vehicles  
Farms

WEST VIRGINIA STATE TAX DEPARTMENT

## Important Dates Local Assessment

**July 1** – Assessment Date

**September 1** – Commercial business property tax returns are due

**January 15** – Taxpayers notified of any 10% increase

(assessment increase must also be \$1,000 for real estate and \$100,000 for business personal property)

Taxpayers have 8 business days after receiving an increase notice to file a request for an informal review of the increased assessment

**February 1** – First date that the County Commission must meet to hear assessment appeals.

**September 1** – 1<sup>st</sup> half payment of taxes due.

**October 1** - First date that the County Commission must meet to hear assessment appeals (Board of Assessment appeals).

**March 1** – 2<sup>nd</sup> half payment of taxes due.

WEST VIRGINIA STATE TAX DEPARTMENT

## Tax Year 2014

### Purpose

State	\$ 6,673,028	.4%
County	427,943,271	26.6%
Schools	1,060,323,290	65.9%
Municipal	<u>114,742,034</u>	7.1%
Total	1,609,771,623	

WV STATE TAX DEPARTMENT

## Tax Year 2014

### Property Type

Real Estate	\$874,499,626	54%
Personal Property	528,808,357	33%
Public Utility	<u>206,463,640</u>	13%
Total	1,609,771,623	

WEST VIRGINIA STATE TAX DEPARTMENT

## Real Estate

Land values are generally valued based on market transactions.

Homes and other building values are generally based on the cost to build and market transactions.

WEST VIRGINIA STATE TAX DEPARTMENT

## Personal Property

The majority of taxable personal property is machinery and equipment which is generally valued by depreciating original cost figures.

Vehicles are valued (by statute) using nationally recognized valuation guides.

WEST VIRGINIA STATE TAX DEPARTMENT

## Personal Property Taxes

Type	Total	Inventory
Industrial	\$192 million	\$37 million
Commercial	113 million	31 million
Individual	132 million	

WEST VIRGINIA STATE TAX DEPARTMENT

## Exemptions

Governmental  
Educational  
Religious  
Non-profit

The tax losses associated with these exemptions are itemized in the property tax portion of the Tax Expenditure Study.

WV STATE TAX DEPARTMENT

## Tax Preference Items

Farms	\$15 Million
Managed Timberland	8 Million
Pollution control facilities	73 Million
Qualified additions to manufacturing facilities	25 Million
Special aircraft property	1 Million
High technology business property	170,000

WEST VIRGINIA STATE TAX DEPARTMENT

## Classification of Property

**Class I.** Farm personal property and intangible property  
(exempt since 2008)

**Class II. All property owned, used and occupied by the owner exclusively for residential purposes and farms**

**Class III.** All other real and personal property situated outside of municipalities

**Class IV.** All real and personal property situated inside of municipalities

WEST VIRGINIA STATE TAX DEPARTMENT

## Class II Owner Occupied Homeowners

The Class II tax rate in each county is half the Class III rate.

This preference item for owner-occupied homes saves homeowners approximately **\$393 million annually.**

A homeowner can owner occupy more than one home.

WEST VIRGINIA STATE TAX DEPARTMENT

**Constitution of West Virginia  
ARTICLE X  
Taxation and finance**

The Constitution provides for a homestead exemption of the first **\$20,000 of assessed valuation** of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner and who is sixty-five years of age or older or is permanently and totally disabled

WEST VIRGINIA STATE TAX DEPARTMENT

## Homestead Exemption

Saves taxpayers nearly \$48 million per year.

Increasing from \$20,000 to \$30,000 would save taxpayers approximately an additional \$20 million per year.

WEST VIRGINIA STATE TAX DEPARTMENT