

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

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

(b) “Eligible taxpayer” defined.—(1) “Eligible taxpayer” — Owned motor vehicles — “Eligible taxpayer” means any person who owns a motor vehicle for which the ad valorem property tax has been paid during the corporation net income tax taxable year or the personal income tax taxable year, as applicable. For purposes of this definition, ownership of a motor vehicle includes ownership and possession of a motor vehicle for which a title has been issued by the Division of Motor Vehicles to the eligible taxpayer. For purposes of this definition, ownership of a motor vehicle also includes ownership and possession of a motor vehicle, subject to a purchase financing arrangement whereby a financial institution holds a lien on the motor vehicle, or for which ultimate issuance of title by the Division of Motor Vehicles to the taxpayer, as owner of the motor vehicle, is contingent upon payment in full of the purchase price of the motor vehicle pursuant to an installment payment financing arrangement.

(2) “Eligible taxpayer” — Leased motor vehicles — “Eligible taxpayer” also means and includes any lessor of a motor vehicle, as herein defined, who owns a motor vehicle for which the ad valorem property tax has been paid during the corporation net income tax taxable year or the personal income tax taxable year, as applicable: *Provided, That, the lessor shall pass on to the lessee the value of the tax credit asserted by the lessor by causing a decreasing in the amount of rent or lease payment payable by the lessee on the leased motor vehicle.*

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

(4) “Eligible taxpayer” — Prohibition for motor vehicle dealers — “Eligible taxpayer” does not mean or include any motor vehicle dealer, motor vehicle dealership, retailer or any business that sells new or used motor vehicles at the retail level, other than a lessor of motor vehicles. In circumstances where any such motor vehicle dealer, motor vehicle dealership, retailer or business that sells new or used motor vehicles at the retail level is engaged in both retail sales of motor vehicles, and leasing of motor vehicles as lessor, the tax credit authorized by this article may only be asserted by such business based upon the ad valorem property tax paid on leased motor vehicles, and only to the extent that the lessor has passed on, to the lessee, the value of the tax credit asserted by the lessor by causing a decreasing in the amount of rent or lease payment payable by the lessee on the leased motor vehicle. No credit may be asserted or applied by the business based upon ad valorem property tax paid on motor vehicle retail inventories, not actively leased to lessees. To the extent that motor vehicle retail inventories may be held as both motor vehicle retail inventories, and as motor vehicles

### **§11-13MM-3. Motor vehicle property tax adjustment credit. (continued)**

potentially subject to lease during the taxable year, ad valorem property tax paid on such motor vehicles is excluded from eligibility for the tax credit authorized by this article.

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

(d) Application of credit against personal income tax and corporation net income tax. –

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

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

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

(f) Transfer or sale of the motor vehicle. –

(1) Where there is a sale or transfer of the motor vehicle from an eligible taxpayer to any other person or entity, the transferor retains entitlement to the tax credit authorized under this article for the timely paid ad valorem property tax paid by the transferor in the transferor’s personal income tax taxable year or corporation net income tax taxable year, as applicable, on the transferred motor vehicle.

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

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

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



## WEST VIRGINIA TAX DIVISION

# TSD 454 Motor Vehicle Property Tax Adjustment Credit

*This publication provides general information and is not meant to be a substitute for tax laws or regulations.*

Beginning January 1, 2024, taxpayers are eligible to claim a Motor Vehicle Property Tax Adjustment Credit. The first opportunity to claim this credit will be on a 2024 WV income tax return, filed in 2025, for all timely paid property taxes made on vehicles due in 2024. The same rules will apply for all following years.

### Who Qualifies?

**Individuals, Partnerships, S-Corporations, LLCs, and C-Corporations**

Leasing companies qualify for the credit. They are **required** to pass the savings on to the consumer leasing the motor vehicle. Contact your leasing company for more information on when you can expect to see the discount.

### Who Does Not Qualify?

**Motor Vehicle Dealers**

With the passage of HB 125 in the 1st Special Session, taxpayers will not be penalized if they pay the second half of their ticket in 2023 because it is still considered due in 2024 and therefore timely paid.

To ensure that you qualify for the Motor Vehicle Property Tax Adjustment Credit, you will have to:

1. File your personal property assessment returns with your County Assessor timely. For businesses that means before September 1 and for individuals before October 1.
2. Pay your personal property taxes timely. That means the first half of the assessment must be paid before October 1 and the second half before April 1.

Location and contact information on your County Assessor can be found at [tax.wv.gov](http://tax.wv.gov).

Only individuals and business motor vehicle owners may qualify for the Motor Vehicle Property Tax Adjustment Credit. The credit is only available for the actual tax paid. If an early payment discount is applied, the credit is limited to the amount actually paid after deduction of the discount. The following Motor Vehicle classifications, which can also be found online at [transportation.wv.gov](http://transportation.wv.gov), are eligible for the credit:

Class A	Cars and Trucks	Passenger cars and trucks with a gross weight of 10,000 pounds or less
Class B	Trucks	Trucks, truck tractors, or road tractors with a gross weight of 10,001 pounds or more
Class G	Motorcycles	Every motorcycle, including motor driven cycles and mopeds, having a saddle and no more than three wheels
Class H	Buses	Every motor vehicle designed for carrying more than seven passengers or transportation of persons for compensation, excluding taxicabs
Class T	Trailers	Trailers, boat trailers, or semitrailers of a type designed to be drawn by Class A vehicles with a gross weight of less than 2,000 pounds
Class V	Antique Motor Vehicles	Antique motor vehicles are at least 25 years old
Class X	Farm Trucks	Used exclusively for the transportation of farm products and supplies by a farmer
W. Va. Code § 20-15-2	All-Terrain Vehicles	Any motor vehicle designed for off-highway use and to travel on not less than three low-pressure tires, having a seat designed to be straddled by the operator and handlebars for steering control and intended by the manufacturer to be used by a single operator or by an operator and no more than one passenger

Vehicles that do not qualify for the credit include but are not limited to Class C (trailers and semi trailers), J (taxi cabs), M (mobile equipment) and R (travel trailer) vehicles. To learn more about vehicle classifications, visit [transportation.wv.gov](http://transportation.wv.gov).

Taxpayers that do not owe WV income taxes and are not required to file a WV income tax return will be able to file a claim for a rebate in early 2025 of their Motor Vehicle property taxes paid. Continue to check [tax.wv.gov](http://tax.wv.gov) for more information and form requirements as they become available.

### For more information, you can:

- Call a Taxpayer Services Representative at (304) 558-3333 or toll-free at (800) 982-8297
- Email [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- Go Online to [tax.wv.gov](http://tax.wv.gov)