

**WEST VIRGINIA  
SECRETARY OF STATE  
BETTY IRELAND  
ADMINISTRATIVE LAW DIVISION**

Form #4

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OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF RULE MODIFICATION OF A PROPOSED RULE**

AGENCY: Division of Motor Vehicles TITLE NUMBER: 91

CITE AUTHORITY: WV Code §17A-2-9, §17A-3-4, §11-15-3c

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 91 CSR 9

TITLE OF RULE BEING PROPOSED: Collection of Tax On The Sale Of A Vehicle

THE ABOVE PROPOSED LEGISLATIVE RULES, FOLLOWING REVIEW BY THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE, IS HEREBY MODIFIED AS A RESULT OF REVIEW AND COMMENT BY THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE. THE ATTACHED MODIFICATIONS ARE FILED WITH THE SECRETARY OF STATE.

  
Authorized Signature



**WEST VIRGINIA LEGISLATURE**  
*Legislative Rule-Making Review Committee*

*Senator Joseph Minard, Cochair*  
*Delegate Bonnie Brown, Cochair*  
*Debra A. Graham, Chief Counsel*  
*Felisha N. Sutherland, Administrative Assistant*

*Connie A. Bowling, Associate Counsel*  
*Rita A. Pauley, Associate Counsel*  
*Brian Skinner, Associate Counsel*  
*Charles Roskovensky, Associate Counsel*

October 14, 2008

NOTICE OF ACTION TAKEN BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

TO: Betty Ireland, Secretary of State, State Register

TO: Steve O. Dale  
WV Division of Motor Vehicles  
State Capitol Complex  
Building 3, Room 319  
Charleston, WV 25317

FROM: Legislative Rule-Making Review Committee

Proposed Rule: Collection on the Tax on the Sale of a Vehicle, 91CSR9

The Legislative Rule-Making Review Committee Recommends that the West Virginia Legislature:

1. Authorize the agency to promulgate the Legislative rule:  
(A) as originally filed  
(b) as modified by the agency X
2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached. \_\_\_\_\_
3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached. \_\_\_\_\_
4. Authorize the agency to promulgate the Legislative rule as modified with certain amendments; amendments and a statement of reasons for such recommendation is attached. \_\_\_\_\_
5. Recommends that the Legislature rule be withdrawn; a statement of reasons for such recommendation is attached. \_\_\_\_\_



**WEST VIRGINIA**  
**DEPARTMENT OF TRANSPORTATION**  
1900 Kanawha Boulevard East • Building Five • Room 109  
Charleston, West Virginia 25305-0440 • 304/558-0444

**Joe Manchin III**  
Governor

October 21, 2008

The Honorable Betty Ireland  
Secretary of State  
State Capitol Building  
Charleston, WV 25305

Dear Madam Secretary:

The Commissioner of Motor Vehicles is hereby authorized to promulgate an agency modified rule pertaining to the Collection of Tax on the Sale of Vehicles (91 CSR 9).

Comments and concerns about the contents of this rule should be directed to the Commissioner of Motor Vehicles. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Paul A. Mattox, Jr.".

Paul A. Mattox, Jr., P.E.  
Secretary of Transportation/  
Commissioner of Highways

PAM:sd  
Enclosure

FILED

PROPOSED

2008 OCT 21 AM 11:04

TITLE 91  
WEST VIRGINIA LEGISLATIVE RULES  
DIVISION OF MOTOR VEHICLES

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

SERIES 9  
COLLECTION OF TAX ON THE SALE OF A VEHICLE

**§91-9-1. General.**

1.1. Scope – This legislative rule establishes the criteria for the collection and determination of the sales tax required to be collected prior to the issuance of a certificate of title to a vehicle, and provisions implementing the requirements of House Bill 2775 (2007 Regular Session).

1.2. Authority – W. Va. Code §17A-2-9, §17A-3-4 and §11-15-3c.

1.3. Filing Date-

1.4. Effective Date-

**§91-9-2. Application and Enforcement.**

2.1. Application – This rule applies to the calculation of tax for the titling of vehicles defined in W. Va. Code §17A et seq.

2.2. Enforcement – Enforcement of this rule is vested with the Commissioner of Motor Vehicles or his or her lawful designees, and where applicable the Tax Commissioner or his or her lawful designees.

**§91-9-3 Determination of Tax Due Prior to Issuance of Title to a Vehicle.**

3.1. An application for a certificate of title for a vehicle shall be accompanied by the amount of tax determined by the Division in accordance with the provisions of W.Va. Code §11-15-3c, §17A-3-4 and this rule unless otherwise exempt by the provisions of W.Va. Code §11-15-3c, §17A-3-4 or this rule.

3.2. The Division shall collect the sales tax prior to issuing a title irrespective of whether the applicant has paid a similar sales or privilege tax on the motor vehicle in any other jurisdiction except as follows:

3.2.a. A new resident establishing domicile in West Virginia is exempt from paying the tax on vehicles titled previously in the former state in his or her name in accordance with W. Va. Code §17A-3-4(b)(12) and W. Va. Code §11-15-3c(f)(8).

3.2.a.1. For the purposes of this rule, the term new resident may mean a person or business entity and may include applicants who may have previously resided or operated as a business entity in West Virginia; and

3.2.a.2. For the purposes of compliance with this rule by a new resident applicant, the responsibility of the County Assessor is limited to determining that the County Assessor has recorded the applicant's vehicle information in accordance with W. Va. Code §17A-3-4(b)(12) and W. Va. Code §11-15-3c(f)(8).

3.3. The sales tax on a new vehicle shall be determined at the rate of five percent (5%) of the actual purchase price or consideration as certified by the dealer and as provided by the selling dealer to the purchaser. The dealer shall collect the sales tax at the time of sale.

3.4. The sales tax on a used vehicle purchased from a dealer shall be determined at the rate of five percent of the actual purchase price or consideration as certified by the dealer and as provided by the selling dealer to the purchaser. The dealer shall collect the tax at the time of sale.

3.5. The sales tax on applications for title on a vehicle purchased from a dealer either in state or out of state is based on the purchase price minus any applicable trade-in subject to the following:

3.5.a. The trade in vehicle must be titled in West Virginia; and

3.5.b. Rebates received after the sale is consummated do not reduce the taxable purchase price.

3.6. The sales tax on applications for title on a vehicle purchased from a person or business not licensed as a dealer by this state or another jurisdiction is assessed as follows:

3.6.a. Vehicles two model years old or less are assessed on the present fair market value as shown in the most recent edition of a nationally distributed and recognized vehicle value guide as determined by the Division regardless of a bill of sale;

3.6.b. Vehicles over two model years old are assessed on the sale price as certified by the seller and buyer on the back of the title or on a notarized bill of sale, if the purchase price is fifty percent (50%) or more of the fair market value as shown in the most recent edition of a nationally distributed and recognized vehicle value guide as determined by the Division; and

3.6.c. Vehicles over two model years old with a sale price of less than fifty percent (50%) than the fair market value as shown in the most recent edition of a nationally distributed and recognized vehicle value guide as determined by the Division are assessed on the fair market value unless accompanied by a notarized bill of sale which may be subject to verification by the Division.

3.7. The minimum taxable value of a vehicle is five hundred dollars (\$500) regardless of the indicated actual sale price on either the application for title, the back of the title or a notarized bill of sale, except as follows:

3.7.a. The minimum taxable value of vehicles that are branded reconstructed or salvage, classified as small utility trailers (Class T), motorboats less than 16 foot, welfare to work or similar type program vehicles, assembled vehicles and trailers, travel campers (Class R),

and older vehicles no longer included in editions of nationally distributed and recognized vehicle value guides as determined by the division, is one hundred dollars (\$100);

3.7.b. Transactions between individuals (casual sales) characterized as “even trades” are not taxed provided that the vehicle has been previously titled in West Virginia as a taxable transaction regardless of the fair market value of either vehicle. Transactions between individuals (casual sales) involving a trade with a net difference after trade-in are assessed on the difference. The only deduction applicable to reduce the taxable value is high mileage based on a nationally distributed and recognized vehicle value guide deduction for high mileage. The Division will accept a fair market value determination based on another nationally distributed and recognized vehicle value guide if the applicant provides a copy of the other value guide; and

3.7.c. The Division will base the sales tax assessment on vehicles branded as salvage or similar brand or previously branded by West Virginia based on fifty percent (50%) of the fair market value as determined by the most recent nationally distributed and recognized vehicle value guide used by the Division.

3.8. The sales tax does not apply to transfer of ownership without consideration such as gifts, donations, or an inheritance. The application for title for any transfer of ownership without consideration shall include a notarized affidavit on a form prescribed by the Commissioner. Both the transferor and transferee shall sign the affidavit under penalty of false swearing.

3.9. The sales tax does not apply to vehicles to be registered as Class H vehicles or Class M vehicles used in interstate commerce. The tax does not apply to Class B vehicles registered at a gross weight of fifty-five thousand pounds or more, or to Class C semitrailers, full trailers, pole trailers and converter gear. However, if an owner of a vehicle has previously titled the vehicle at a declared gross weight of fifty-five thousand pounds or more and the title was issued without

the payment of the tax imposed by this section, then before the owner may obtain registration for the vehicle at a gross weight less than fifty-five thousand pounds, the owner shall surrender the exempted registration, the exempted certificate of title and pay the tax imposed by this section based upon the current market value of the vehicle.

3.10. Any application for transfer of ownership which provides incorrect, false or fraudulent information about the consideration exchanged, subjects the applicant to the revocation, suspension and/or cancellation of any and all driver's licenses, registration plates, cards, and permits issued to the applicant in accordance with West Virginia Code §17A-2-16. Any revocation, suspension and/or cancellation remains in effect until the appropriate sales tax is remitted and all reinstatement fees are paid.