

# **WEST VIRGINIA LEGISLATURE**

**2022 REGULAR SESSION**

**Introduced**

## **House Bill 4045**

BY DELEGATE KEATON

[Introduced January 12, 2022; Referred to the  
Committee on Finance]

1 A BILL to amend and reenact §11-6C-2 of the Code of West Virginia, 1931, as amended, relating  
2 to modifying the valuation of market value of dealer vehicle inventory.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 6C. SPECIAL METHOD FOR APPRAISING DEALER VEHICLE  
INVENTORY.**

**§11-6C-2. Method for determining market value of dealer vehicle inventory, dealer  
motorboat inventory, farm equipment dealers inventory, daily passenger rental car  
inventory and house trailer and factory-built homes inventory.**

1 (a) For purposes of appraisal, the market value of dealer vehicle inventory, dealer  
2 motorboat inventory and farm equipment dealers inventory, as of July 1, of each year, shall be  
3 the gross sales or total annual sales of such inventory made by such dealer during the preceding  
4 calendar year, divided by twelve, for a dealer with respect to which or whom sales were made  
5 during the entire preceding year. For the purposes of this article, "gross sales" or "total annual  
6 sales" means the amount received in money, credits, property, services or other consideration  
7 from sales within this state without deduction on account of the cost of the property sold, amounts  
8 paid for interest or any other expenses whatsoever. Gross sales or total annual sales shall ~~not~~ be  
9 reduced by the value of an item of tangible personal property which is traded in for the purpose  
10 of reducing the purchase price of the item purchased. In the case of dealers who were not in  
11 business during the entire calendar year immediately preceding July 1, of that calendar year, the  
12 assessor shall estimate the market value of such inventory based on such data as may be  
13 available to him or her: *Provided*, That the assessor may extrapolate estimates using such sales  
14 data as may be available and reliable when sales are made for a period of three months or more  
15 during the prior year: *Provided, however*, That there shall be excluded from the appraisal  
16 calculations the value of those units which were not physically held as inventory by the owner of  
17 the inventory at any time during the preceding year. In all cases, the market value, so derived,

18 shall serve as the basis for calculating the appraised value.

19 (b) For purposes of appraisal, the market value of daily passenger rental car inventory, as  
20 of July 1, of each year, shall be the gross value of all daily passenger rental cars made available  
21 by a daily passenger rental car business on the first day of each month of the immediately  
22 preceding calendar year: *Provided*, That the daily passenger rental car business shall add  
23 together the gross values and divide that sum by twelve. For purposes of this article, “gross value”  
24 means the lowest value for each vehicle as shown in a nationally accepted used car guide  
25 determined by the Tax Commissioner. To calculate the “gross value” of any vehicle that does not  
26 appear in a nationally accepted used car guide, the Tax Commissioner shall determine the  
27 percent of the manufacturer’s suggested retail price for each such vehicle held as a daily  
28 passenger rental car without deduction on account of the cost of any inventory, amounts paid for  
29 interest or any other expenses whatsoever. In the case of daily passenger rental car businesses  
30 that were not in business during the entire calendar year immediately preceding July 1, of that  
31 calendar year, the assessor shall estimate the market value of such daily passenger rental car  
32 inventory based on such data as may be available to him or her: *Provided, however*, That the  
33 assessor may extrapolate estimates using the daily passenger rental car data that is made  
34 available and reliable when rentals were made for a period of three months or more during the  
35 prior year: *Provided further*, That there shall be excluded from the appraisal calculations the value  
36 of those units which were not physically held as daily passenger rental car inventory by the owner  
37 of the daily passenger rental car inventory at any time during the preceding year. In all cases, the  
38 gross value of daily passenger rental car inventory, so derived, shall serve as the basis for  
39 calculating the appraised value of the inventory. For purposes of this article, “daily passenger  
40 rental car inventory” includes all motor vehicles licensed as a Class A motor vehicle as defined in  
41 section one, article ten, chapter seventeen-a of this code.

42 (c) For purposes of appraisal, the market value of house trailer and factory-built homes  
43 inventory, as of July 1, of each year, shall be the gross sales or total annual sales of such inventory

44 made by such dealer during the preceding calendar year, divided by twelve, for a dealer with  
45 respect to which or whom sales were made during the entire preceding year. For the purposes of  
46 this article, "gross sales" or "total annual sales" means the amount received in money, credits,  
47 property, services or other consideration from sales within this state without deduction on account  
48 of the cost of the property sold, amounts paid for interest or any other expenses whatsoever.  
49 Gross sales or total annual sales shall not be reduced by the value of an item of tangible personal  
50 property which is traded in for the purpose of reducing the purchase price of the item purchased.  
51 In the case of dealers who were not in business during the entire calendar year immediately  
52 preceding July 1, of that calendar year, the assessor shall estimate the market value of such  
53 inventory based on such data as may be available to him or her: *Provided*, That the assessor may  
54 extrapolate estimates using such sales data as may be available and reliable when sales are  
55 made for a period of three months or more during the prior year: *Provided, however*, That there  
56 shall be excluded from the appraisal calculations the value of those units which were not  
57 physically held as inventory by the owner of the inventory at any time during the preceding year.  
58 In all cases, the market value, so derived, shall serve as the basis for calculating the appraised  
59 value.

NOTE: The purpose of this bill is to modify the valuation of market value of dealer vehicle inventory by reducing gross sales or total annual sales by the value of an item of tangible personal property traded in to reduce the purchase price of the item purchased.

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