



## Partial Release of Property from State Tax Lien

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

The Tax Commissioner may issue a certificate of release to part of the property subject to the lien (“partial release”). A partial release removes or discharges certain specific property from the effect of the tax lien, while the lien remains in full force on all other attached property or rights.

### Partial Releases

This partial release may **only** be issued under one of two conditions:

1. The State has been paid at least the value of their interest in the property, or
2. The interest of the State in the property has no value.

Any partial release is discretionary. The State may impose any other conditions that may facilitate collection of the tax or be in the best interest of the State.

The State **will not** issue a partial release if the amount of the lien(s) is less than \$1,000.

A partial release will only be issued upon application giving sufficient information for the State to determine the value of the State’s interest in the property, the amount to be paid to the State and that conditions for release are satisfied. The [“Application for Certificate of Release of Property for State Tax Lien”](#) and all supporting information must be submitted to:

Director, Compliance Division  
State Tax Division  
Post Office Box 229  
Charleston, West Virginia 25321-0229.

The application may be made on the form provided by the State, or prepared by the applicant, so long as all required information is submitted.

The application **must** contain the following information:

1. The name, address, and identification number of the taxpayer.
2. The name of the legal owner(s) of the property to be released.
3. A copy of the legal description of the property to be released, as contained in the deed to real property, or contract of sale as to personal property.
4. A copy or description of each state tax lien to be released including:
  - Full amount and identification number of taxpayer
  - Amount of each lien
  - Lien date, record date, county, and book and page number
5. All liens or encumbrances, on the property to be released, that have priority over the state tax lien(s), showing
  - Name and address of lienor
  - Amount and balance due
  - Description of lien
  - Place and date recorded
6. The fair market value of the property to be released and evidence thereof.
7. The amount that will be paid to the State.
8. The intended distribution of proceeds of transaction.
9. The date and manner in which the taxpayer has been, or will be, divested of all interest in the property to be released.
10. The location, description and value of other property that will remain subject to the lien(s) to be released.
11. The purpose for which the partial release is requested.
12. The name, address and telephone number of the applicant, attorney, or representative.

**The State will not issue a release or make any commitment to issue a release in the absence of a complete application signed by the taxpayer. A person requesting a release should allow 15 days for consideration of the application.**

**A partial release is distinguished from a “release,” which completely extinguishes the lien, and a “subordination,” which continues the effect of the lien on the property but relegates it to a lower priority against another lien.**

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## Value Determinations and Payments

The determination of the value of the interest of the State is based upon several factors including the fair market and forced sale values of the property, other liens having priority over the State tax lien(s), and reasonable expenses of the transaction. **The principle of “first-in-time, first-in-right” is used to determine the priority of all liens and the value of the State’s interest in the property.**

The State will usually require payment prior to delivering a partial release. Payment must be made by:

- certified, cashier's or treasurer's check; or
- money order.

Payment by personal check will delay delivery of the release until the bank honors the check. If the interest of the State has no value, the State will generally require payment of a nominal amount, which is 10% of the amount due or \$500, whichever is greater. This minimum payment is not required if the property remaining subject to the lien has a fair market value of at least twice the amount of all liens and encumbrances against the property.

### Conditional Commitments

The State may issue a conditional commitment for a partial release. This allows the applicant to proceed with pending transactions and rely upon the State to issue the release upon payment of funds generated by the transaction. When the transaction is completed, meaning the State has received its payment and the taxpayer has no more interest in the property, the release will be issued in accordance with the commitment letter.

### Disputes

A dispute may exist among competing lienors concerning the value of their liens or their respective rights and priorities in the property. A partial release may be issued to facilitate a sale of property and, pursuant to agreement of the lienors, the proceeds of sale held in escrow, and subject to all liens and their respective priorities pending resolution of the dispute.

A foreclosing creditor may avail itself of this administrative process rather than joining the State as a party in a judicial proceeding. If the interest of the State in the property has no value and the taxpayer is divested of all interest in the property, a partial release may be issued without payment of even a nominal amount.

#### **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)