AD VALOREM PROPERTY TAX – Property Tax Valuation Of Motor Vehicles Of Daily Rental Car Companies

West Virginia Constitution Article X, Section 1, requires that all property, both real and personal, be taxed in proportion to value, ascertained as directed by law.

Motor vehicle inventories of daily passenger car rental companies are valued for ad valorem property tax purposes under Section 11-6C-1 et seq. of the West Virginia Code, which reads in relevant part as follows:

(b) For purposes of appraisal, the market value of daily passenger rental car inventory, as of the first day of July of each year, shall be the gross value of all daily passenger rental cars made available by a daily passenger rental car business on the first day of each month of the immediately preceding calendar year. Provided, That the daily passenger rental car business shall add together the gross values and divide that sum by twelve. ...

It is the determination of the West Virginia Tax Department that the statutory term “all daily passenger rental cars made available by a daily passenger rental car business” (quoted above) must be interpreted to mean and include all vehicles in the inventory of the West Virginia daily passenger car rental business on the first day of the calendar month, without regard to whether the vehicle is rented out and in the possession of a rental customer, or the vehicle is on the lot of the company waiting to be rented.

Only those rental inventory vehicles which are not operational because they are located in a repair shop and are physically undergoing mechanical repairs on the first day of the month may be excluded from the report of rental cars “made available by a daily passenger rental car business” on the first day of the calendar month. All other vehicles in the inventory must be reported, whether awaiting rental on the lot or rented out to customers and on the road.

Notice of this determination will be filed in the State Register.

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Craig A. Griffith  
Acting State Tax Commissioner  
Operator on duty 8:30 am – 5:00 pm  
Monday through Friday  
Phone: (304) 558-3333 or 1-800-982-8297  
Fax: (304) 558-3269  
TDD Service/Hearing Impaired 1-800-282-9822