



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 Small Business 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 qualifying property in the 2024 calendar year. The same rules apply for all following years. With the passage of HB 125 in the 1st Special Session of 2023, taxpayers will not be penalized if they paid the second half of their ticket in 2023 because it is still considered due in 2024 and therefore timely paid.

Who Qualifies?

Small businesses with an aggregate appraised property value of \$1 million or less

What Qualifies?

50% of the amount of WV personal property tax timely paid minus credit received for the Motor Vehicle Property Tax Adjustment Credit.

To ensure that you qualify for the Small Business Property Tax Adjustment Credit, you must pay your 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.

Only eligible small businesses who are owners of the aggregated West Virginia personal property may claim the Small Business Property Tax Adjustment Credit. The credit is only available for 50% of the actual tax paid. Small businesses that file income on personal income returns and have multiple members must allocate the credit among its members in the same way that they allocate profits and losses for that taxable year.

To claim this credit, eligible taxpayers are required to file a West Virginia Income Tax Return with form [SB-1](#). Taxpayers should complete form SB-1, then enter the amount of credit from the SB-1, Line 9 - Total Credit on the IT-140, Line 21(C) (or the corresponding lines on the PTE or CIT returns). Along with the return and form, taxpayers will need to submit a copy of their receipt(s) for the property tax amount paid. Taxpayers will need to file a separate SB-1 for each property tax year if trying to claim any timely made second-half of 2023 payments to ensure properties aren't duplicated on one form when determining if the aggregate appraised property value threshold is met.

Small Businesses	A business with eligible property located in West Virginia that has an aggregate appraised value of \$1 million or less.
Aggregate Appraised Value	The true and actual value of all eligible property owned by the Small Business in West Virginia, including the true and actual value of all personal property of related entities. This aggregate should include all automobiles. Automobile payments for which a Motor Vehicle Property Tax Credit was received will be factored out when determining the total amount of the Small Business Property Tax Credit that will be received if the small business is eligible.
Related Entities	A related entity is an individual, corporation, partnership, affiliate, association or trust or any combination or group that is controlled or in control of the Small Business. This means the Small Business directly or indirectly has 50% or more of the voting power or interest of the entity.
Ineligible Small Businesses	Small Business <u>does not</u> include any person who holds a working interest in any oil, natural gas or natural gas liquid producing property or any public service company that is centrally assessed by the state for property tax purposes.

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
- Go Online to tax.wv.gov