

2025 Guidebook To West Virginia Taxes

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This **Guidebook** is designed to provide accurate and authoritative information regarding the subject matter covered. However, it is not designed to eliminate the necessity of referring to the law and regulations for answers to specific problems, nor is it intended to take the place of the more detailed information available from other publishers. The publisher is not engaged in rendering legal, accounting, or other professional service and the authors are not offering such advice in this publication. If legal advice, accounting advice, or other expert assistance is required, the services of a competent professional person should be sought.

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GUIDEBOOK TO WEST VIRGINIA TAXES

This **Guidebook** provides a general discussion of the taxes imposed by the State of West Virginia and the taxes levied by the local governments. All 2024 amendments to the West Virginia law that are currently in effect are reflected in the **Guidebook** and references to federal laws are to the laws enacted or amended before January 1, 2024.¹

This **Guidebook** is a reference work describing the general provisions of the respective tax laws, regulations, and administrative practice, useful to tax practitioners, businesspersons and others who prepare or file West Virginia state and local returns or who deal with West Virginia state and local taxes.

State taxes of major interest, including the corporation net income tax, the consumer sales and service and use taxes, the personal income tax, the property tax, and the severance tax, are discussed in detail. Incentives for business development and tax procedure are also discussed in detail. Other West Virginia state and local taxes are summarized with particular emphasis on persons or transactions subject to tax, exemptions, basis and rates of tax, and returns and payment.

In determining the personal income tax and the corporation net income tax, West Virginia uses federal figures as a starting point in the determination of the West Virginia tax base. Consequently, the **Guidebook** references the comparable and relevant provisions of the Federal Internal Revenue Code (“IRC”). Changes in federal income tax law made after December 31, 2023 that affect the federal adjusted gross income of individuals and the federal taxable income of corporations are not automatically incorporated into the West Virginia personal and corporation net income tax laws. Historically, the West Virginia Legislature annually updates the meanings of “federal adjusted gross income” and “federal taxable income” for West Virginia income tax purposes. Any federal change the Legislature does not wish to adopt is then enacted as an increasing or decreasing modification to “federal adjusted gross income” or “federal taxable income,” as appropriate. As of the date of this publication, taxpayers must follow all changes to federal income tax law made after December 31, 2022 and before January 1, 2024. The legislature will likely update its IRC conformity again in 2025, with such change being retroactive if allowable under federal income tax law.

PREFACE

Each tax of major interest is covered in a separate chapter, and there is a chapter covering several miscellaneous taxes. Additionally, there are chapters on tax procedures and incentives for business development. Where there is a special procedure applicable to a particular tax, the procedure is discussed in the chapter pertaining to that tax.

¹ West Virginia income tax laws do not automatically conform to changes in federal income tax law affecting the definitions of federal adjusted gross income for individuals and federal taxable income in the case of corporations, estates, and trust. Historically, the West Virginia Legislature has enacted conformity legislation and made the enactments retroactive.

This **Guidebook** was written by several authors, each of whom contributed a chapter or multiple chapters. The authors are well-known tax authorities in West Virginia and have knowledge of the subject of their chapter. Each chapter discusses the statutory scheme and regulations and briefly reviews the major cases pertaining to the tax covered. A detailed example of each State tax incentive for business development is provided in the chapter discussing those incentives. Discussion of the major taxes includes reference to relevant forms. However, because forms for all taxes collected by the West Virginia Tax Division² are available at the Division’s webpage, <https://tax.wv.gov/Pages/default.aspx>, we have not included the various forms in this publication.

Each **Guidebook** chapter lists the sections of the West Virginia Code applicable to the tax being discussed. The West Virginia Code is available at the West Virginia Legislature’s webpage: <http://www.wvlegislature.gov/>. Frequently, applicable regulations are cited. The Tax Commissioner is authorized to promulgate interpretive, legislative, and procedural administrative rules following the procedure set forth in article three of the State Administrative Procedures Act. W. Va. Code § 29A-3-1 *et seq.* These rules are available in hard copy from the West Virginia Secretary of State. They are also available in electronic format at the Secretary of State’s website: <https://sos.wv.gov/Pages/default.aspx> by clicking on “CSR Search” under ‘Popular Resources.’”

Craig A. Griffith, Editor

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² After decades of referring to itself as the “West Virginia State Tax Department,” the Department began referring to itself as the “West Virginia State Tax Division” in 2024 in conjunction with a rebrand. The newly coined “West Virginia State Tax Division” may be referred to as the “West Virginia State Tax Department” frequently in the chapters to the **Guidebook**.

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The WVSCPA recognizes the work of Victor Grigoraci, who was instrumental in the ***Guidebook*** becoming a project of the WVSCPA and who for many years authored the chapter on corporation net income taxes.