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Ending Business Personal Property Tax Ineffective Way to Boost West Virginia Economy

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With tax reform on the West Virginia Legislature's agenda, attention has once again turned to West Virginia's business personal property tax. In October, the conservative anti-tax group The Tax Foundation testified to the Select Joint Committee on Tax Reform that moving away from the business personal property tax would help attract businesses and grow the state's economy,[1] while the state's business community has also pressured the committee to repeal the tax.[2]

While proponents suggest that eliminating taxes on business personal property would boost investment and job growth, there is little evidence to support those claims. Instead, eliminating the tax would have a profound impact on state and local government finances. The revenue loss would strain the ability of municipalities, county governments, and school districts to provide needed services and would likely lead to cuts in services or a dramatic tax shift, such as higher property taxes on homeowners or higher taxes on real property owned by small businesses.

Key Findings

- The tax on business personal property accounts for an estimated 19 percent of all property tax revenue in the state. Overall, property taxes in West Virginia are below average for individuals, homeowners, and most businesses.
- Compared to other major taxes, the property tax is a more stable source of revenue, especially during economic downturns. This helps ensure that the state has enough resources to maintain investments in education and other important public services.
- Numerous studies provide significant support to conclude that business taxes do not play a significant role in business investment decisions, and that tax cuts are not an effective method to grow the economy and create jobs.
- If business personal property were fully exempted from taxation, county and municipal governments would lose an estimated \$101 million in property tax revenue for FY 2015.
- Eliminating the property tax on business personal property would cause local school districts to lose an estimated \$202 million in revenue. In response, the state's contributions to the School Aid Formula would increase by an estimated \$80 million, but school districts would still face a funding gap of \$122 million. Without legislative action, local school districts would be unable to fill this deficit, and the state would need to provide this additional revenue to maintain the current educational system.

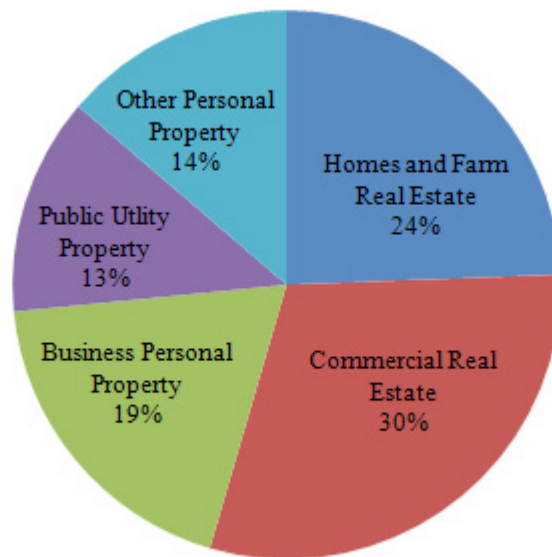
Exempting the business personal property tax would have a negative impact on school districts and on county and municipal governments. The impact would be disproportionately felt in struggling coal-producing counties, and would place additional strain on an already tight state budget that faces significant shortfalls this year and next year.

Property Tax Overview

Both real and personal business property are subject to the property tax in West Virginia. Real property includes land, structures, and certain equipment permanently attached to structures. Personal property includes furnishings, inventory, machinery, equipment, fixtures, supplies, and tools. West Virginia is one of 37 states that taxes business machinery and equipment, and one of 12 states that taxes business inventory.[3]

Business personal property accounts for approximately 19 percent of all property taxes paid in West Virginia, mostly coming from taxes paid on machinery and equipment (**Figure 1**). Of the \$1.6 billion in property tax revenue collected in FY 2015, an estimated \$304 million came from business personal property tax collections.

Figure 1
Sources of West Virginia Property Tax Revenue, 2015



Source: West Virginia State Tax Department.

Property tax rates in West Virginia vary by county and municipality. In FY 2015, the average property tax rate for a business located inside a municipality (Class IV) was 2.87 percent of assessed value. For businesses located outside a municipality (Class III), the average property tax rate was 2.19 percent of assessed value. In West Virginia property is assessed as 60 percent of its fair market value for property tax purposes.[4]

Like most states, West Virginia offers a number of tax abatements that reduce or eliminate the personal property tax for business on certain items. These include:

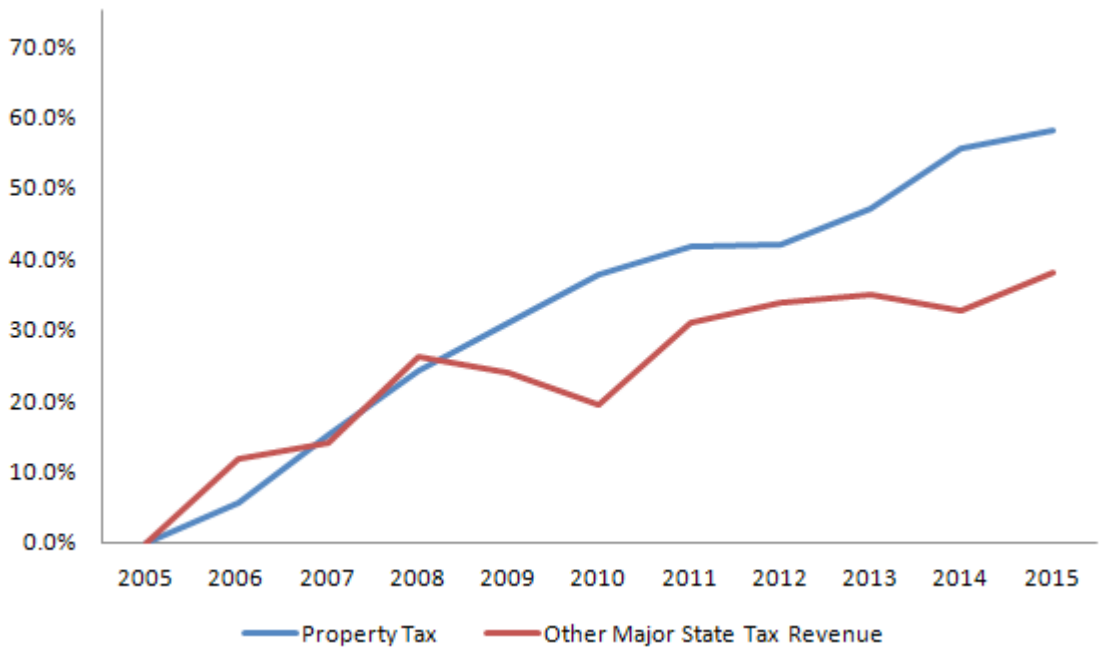
- The Manufacturing Property Tax Adjustment Credit allows manufacturers to offset their corporate net income taxes with inventory taxes paid. The annual value of this credit is estimated at approximately \$3 million per year.[5]
- The Freeport Exemption exempts tangible personal property that is in transit from property taxes, and is valued at \$13.2 million per year.[6]

- Preferential assessments allow pollution control facilities, specialized manufacturing production property, special aircraft property, high technology business property, and qualified capital additions to manufacturing facilities to be assessed at salvage value, or 5 percent of its original costs, rather than the normal 60 percent of appraised value. These preferential assessments are valued at a total of \$110.17 million per year.[7]

State agencies can also purchase machinery and equipment and lease it back to businesses, allowing the businesses to avoid the personal property tax. Like other tax incentives, these abatements and tax breaks are not properly evaluated by the state to determine their effectiveness at promoting economic growth.[8]

Property taxes are a stable source of revenue for state and local governments, growing steadily each year, compared to other more volatile revenue sources. Figure 2 compares property tax revenue growth to growth in other major sources of state tax revenue since FY 2005, demonstrating the relative stability of property tax revenue.

Figure 2
Revenue Growth, Property Tax and Other Major State Taxes, 2005 - 2015



Source: West Virginia State Tax Department.
 Note: Other state taxes include personal income tax, sales and use tax, severance tax, and corporate net income/business franchise tax revenues.

Paying Property Taxes in West Virginia

While West Virginia taxes both real and personal property, West Virginians state taxpayers pay less in property taxes than people in almost any other state, largely because of low rates on real property for both individuals and businesses. West Virginia ranks 48th among the states in property taxes paid per capita, and 41st in property taxes paid as a percent of personal income. Urban homeowners in West Virginia pay an effective property tax rate of 0.74 percent, compared to 1.32 percent nationally (**Table 1**).

Most businesses in West Virginia also enjoy below average effective property tax rates. As Table 1 shows, only industrial facilities (manufacturing) in urban areas have an above average effective property tax rate, and then only by 2/10ths of a percentage point. Commercial facilities (retail) located in both urban and rural areas have below average effective property tax rates, as do industrial facilities in rural areas.

Table 1
West Virginia Property Tax Rankings, 2013

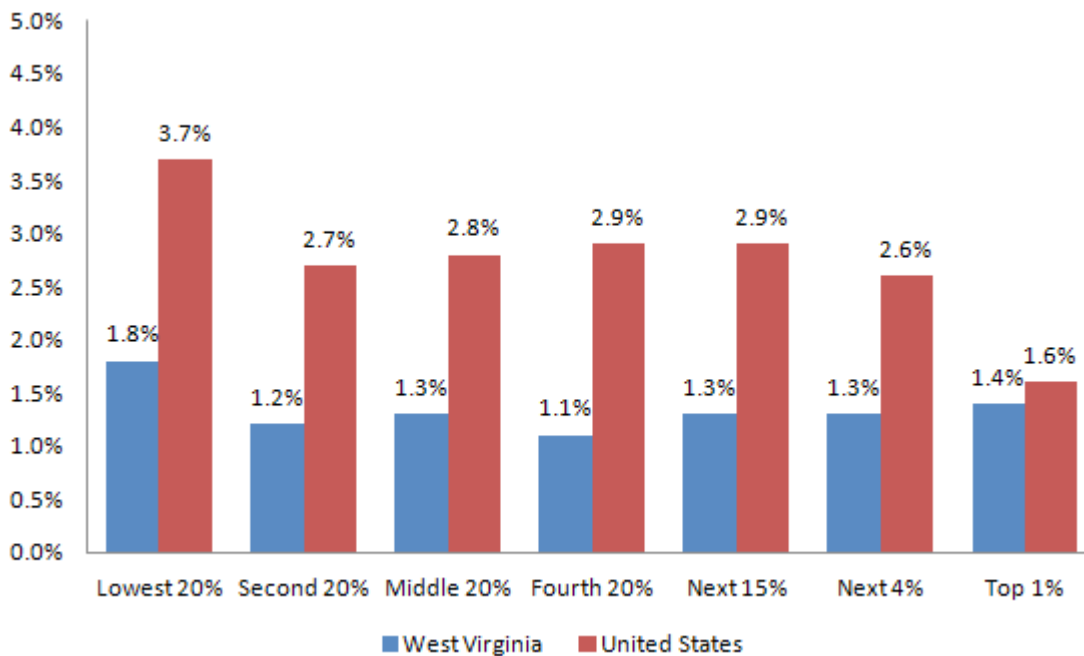
Measure	National Average	WV	WV Rank
Per Capita	\$1,421	\$773	48th
Percent of Personal Income	3.22%	2.20%	41st
Urban Residential Effective Rate	1.32%	0.74%	44th
Rural Residential Effective Rate	1.26%	0.52%	45th
Urban Commercial Effective Rate	1.94%	1.64%	30th
Rural Commercial Effective Rate	1.65%	1.10%	36th
Urban Industrial Effective Rate	1.46%	1.64%	18th
Rural Industrial Effective Rate	1.22%	1.09%	24th

Source: U.S. Census Bureau Census of State and Local Government Finance, Bureau of Economic Analysis, and the Lincoln Land Institute.

Nationwide, property taxes are slightly regressive, with low income households paying more as a share of their income than middle income households, and high income households paying the smallest share. However, in West Virginia, property taxes are far more proportional, with households all paying roughly the same share of their income (**Figure 3**).

West Virginia’s tax on business personal property helps keep the property tax from becoming regressive. Business property taxes, particularly personal property taxes, generally fall on owners of capital and to a significant degree are exported to residents of other states.[9]

Figure 3
Property Taxes as a Share of Non-Elderly Family Income 2015, West Virginia and U.S. Average



Source: Institute on Taxation and Economic Policy.

Broad Base, Low Rates

By including both real and personal property in its property tax base, West Virginia is able to keep property tax rates low, resulting in one of the lowest property tax burdens in the country. West Virginia's broad property tax base also results in largely equal rates, with property taxes owed by businesses directly proportional to the amount of property they own.

For example, under West Virginia's current property tax structure, both a commercial business with \$1 million in real property and \$200,000 in personal property, and an industrial business with \$1 million in real property and \$1 million in personal property pay the same effective property tax rate (**Table 2**).

Table 2
Effective Property Tax Rates Equal for Different Industries

	Commercial Business (\$1 million real, \$200,000 fixtures)	Industrial Business (\$1 million real, \$500,000 machinery & equipment, \$400,000 inventories, \$100,000 fixtures)
Real	\$16,427	\$16,427
Personal	\$3,285	\$16,427
Total	\$19,427	\$32,854
Effective Rate	1.64%	1.64%

Source: Lincoln Land Institute.

Under West Virginia's current system, both the commercial business and the industrial business pay an effective property tax rate of 1.64 percent, even though they have different mixes of real and personal property. However, if West Virginia were to eliminate the property tax on business personal property, it would narrow its property tax base, and increase inequity into its property tax system.

In the above example, the two businesses would no longer pay the same effective tax rate if the business personal property tax were no longer applied. The commercial business would see its effective tax rate decline to 1.39 percent, while the industrial property would see its effective rate fall all the way to 0.82 percent, half of its original rate (**Table 3**).

Table 3
Eliminating Business Personal Property Tax Would Create Unequal System

	Commercial Business (\$1 million real, \$200,000 fixtures)	Industrial Business (\$1 million real, \$500,000 machinery & equipment, \$400,000 inventories, \$100,000 fixtures)
Real	\$16,427	\$16,427
Personal	\$0	\$0
Total	\$16,427	\$16,427
Effective Rate	1.39%	0.82%

Source: Lincoln Land Institute.

West Virginia has a broad property base, with low and equal rates, that result in tax burden directly proportional to a business's property value (**Tables 2 and 3**). Eliminating the tax on business personal property would create a narrower property tax base, with unequal rates, and a burden more influenced by what type of property a business owned, rather than its value.

Business Taxes and Economic Development

While proponents of eliminating the personal business property tax claim that its removal will increase capital investment and create jobs, there is very little evidence to support those claims. In fact, evidence strongly suggests that businesses taxes play a very small role in economic growth, and that property taxes are not a significant barrier to capital investment.

Academic research largely does not support the claim that state and local business taxes significantly affect economic growth. Of the 37 peer-reviewed studies published on state tax issues since 2000, 19 found no significant link between state and local taxes and economic growth. Only 6 of the 37 studies found a significant link between state and local taxes and economic growth.[10]

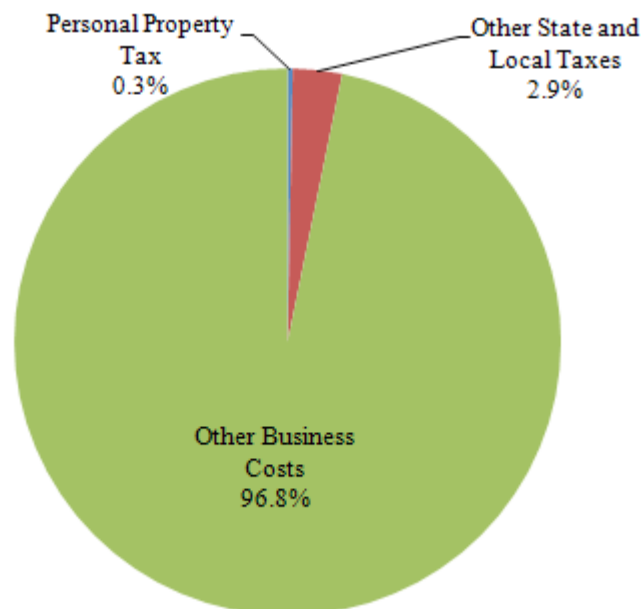
Even studies that examined state-level inventory and other personal property taxes concluded they rarely impact business location decisions or have a significant effect on employment in manufacturing, wholesale, and retail industries.[11]

One reason that state and local business tax cuts are a poor strategy for promoting economic growth and creating jobs is because taxes are a small fraction of the total cost of doing business. Tax cuts “work” by reducing business costs, in the hope that the reduction in costs will generate growth. But because the cost state and local taxes are so small compared to other costs like labor, utilities, occupancy, and transportation, tax cuts are largely ineffective.

In West Virginia, state and local business taxes make up only 3.2 percent of the cost of doing business, and the personal business property tax is only a fraction of this amount (**Figure 4**). Eliminating the personal business property tax would barely move the needle on reducing total business costs, with little influence on the economy.

Figure 4

Business Taxes as Small Share of the Cost of Doing Business in West Virginia

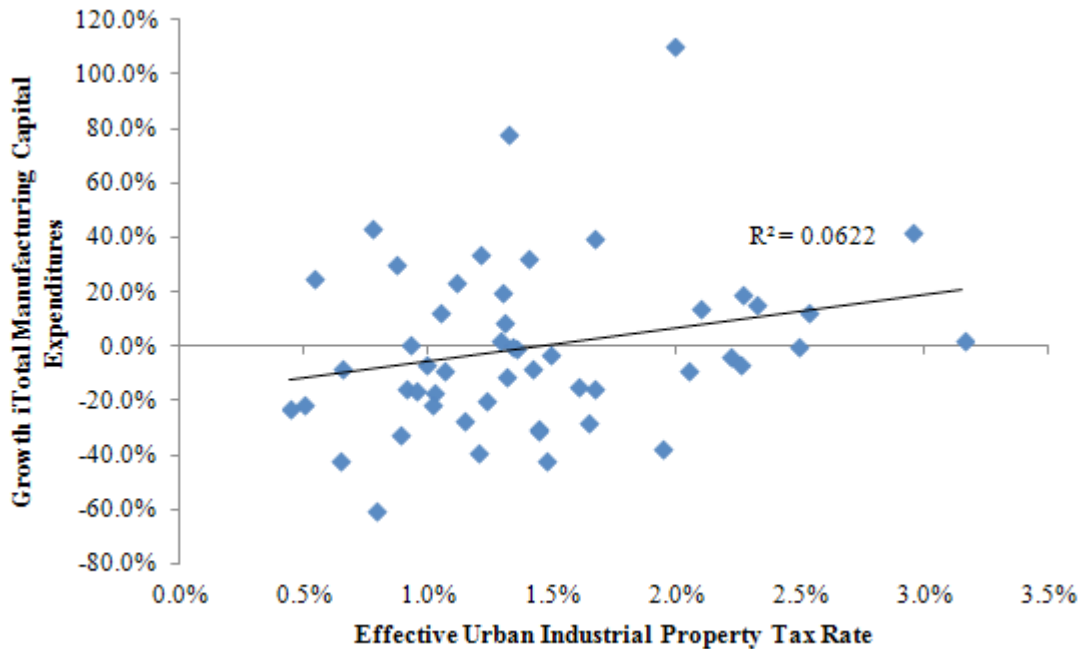


Source: WVCBP analysis of Internal Revenue Service, Council on State Taxation, and Bureau of Economic Analysis data.

While evidence strongly suggests that business taxes have little effect on overall economic growth, proponents of eliminating West Virginia’s personal property tax claim that the tax is particularly harmful to capital investment in the state. But there is little evidence to support that claim.

There is no obvious relationship between the effective property tax rate for a typical industrial business and capital investment growth in the manufacturing industry, including growth in total capital investment, buildings, and machinery and equipment (**Figures 5, 6 and 7**). In fact, in each case, the correlation is slightly positive, suggesting that higher property tax rates appear to be associated with more capital investment. While the analysis does not suggest that higher tax rates cause greater investment, it does show that factors other than property taxes, both with and without personal property, have a greater influence on capital investment.[12]

Figure 5
Total Manufacturing Capital Expenditure Growth, 2007-2012 and Effective Urban Industrial Property Tax Rates

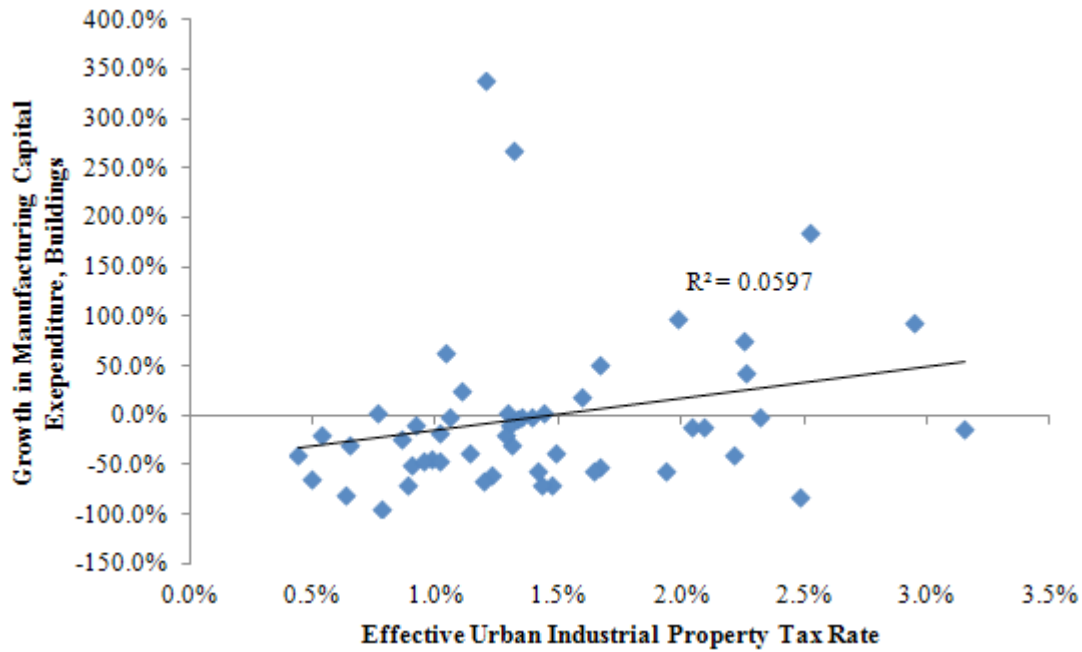


Source: WVCPB analysis of U.S. Census Bureau, 2007 and 2012 Economic Census, and Lincoln Institute of Land Policy and Minnesota Taxpayers Association data.

Further, the absence of property taxes on machinery and equipment also does not appear to affect capital investment. There was no statistically significant difference in average growth in manufacturing capital expenditures for machinery and equipment between states that do tax machinery and equipment and those that do not between 2007 and 2012.[13]

Figure 6

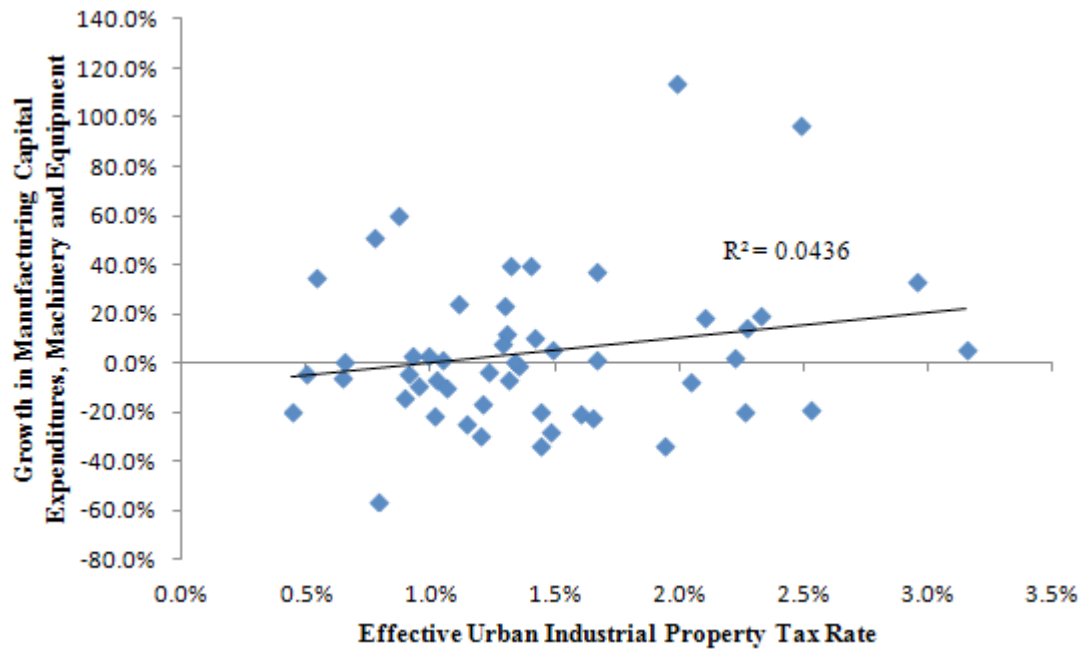
Manufacturing Capital Expenditure Growth, Buildings, 2007-2012 and Effective Urban Industrial Property Tax Rates



Source: WVCBP analysis of U.S. Census Bureau, 2007 and 2012 Economic Census, and Lincoln Institute of Land Policy and Minnesota Taxpayers Association data.

Figure 7

Manufacturing Capital Expenditure Growth, Machinery and Equipment, 2007-2012 and Effective Urban Industrial Property Tax Rates



Source: WVCBP analysis of U.S. Census Bureau, 2007 and 2012 Economic Census, and Lincoln Institute of Land Policy and Minnesota Taxpayers Association data.

Fiscal Impact

Eliminating the business personal property tax will cause local and state governments to lose an important revenue source. Estimates of this fiscal impact were determined for the state, counties, school districts, and municipalities (See **Appendix for estimated county by county impacts**). The fiscal impacts are based on the \$305 million in property tax revenue generated from commercial and industrial machinery and equipment, inventory, salvage equipment, and other equipment including computers, furniture, and fixtures. It does not include property taxes on the working interest of oil and natural gas wells, nor does it include public utility tangible personal property. Proposals to eliminate the business personal property tax that include the working interest of oil and natural gas wells or public utility personal property would have a greater fiscal impact than described in this report.

Impact on Local Governments

If the property tax on business personal property was eliminated, local governments and school districts would lose more than \$223 million in revenue for FY 2015, straining the ability of municipalities, county governments, and school districts to provide needed services, and likely leading to cuts in services or increased taxes on other parties, like homeowners or small businesses.

Counties

West Virginia's 55 counties play an essential role in the development of the state's communities. From libraries and parks to sewage and air transportation, counties provide important public services and programs that make their communities more prosperous, efficient, secure, and stable, as well as helping businesses to compete and thrive. However, without a strong revenue system, many of these services would diminish or disappear.

In FY 2015, West Virginia's 55 counties collected an estimated \$80 million in business personal property taxes, accounting for 18.9 percent of county property tax revenue. If the property tax on business personal property was eliminated, the average county government would lose more than \$1.4 million in property tax revenue per year, likely resulting in higher levy rates for other taxpayers or cuts in services. This would threaten counties' ability to pay for jails, maintain the state's court system, and administer state elections.

Municipalities

West Virginia has 241 municipalities, each providing important local services like police and fire protection, housing, and community development. In FY 2015, West Virginia's municipalities collected an estimated \$21 million from property taxes on business personal property. The loss of revenue from the tax on business personal property would likely lead to higher property taxes for other taxpayers, new taxes and fees, or cuts in services.

School Districts

West Virginia's 55 school districts oversee 705 elementary and secondary schools, educating over 280,000 students. West Virginia's schools provide the educational foundation for the state's future workforce, giving them the skills and knowledge necessary to gain employment and be productive citizens. The property taxes levied by school districts provide roughly one-third of total school district funding.

In FY 2015, taxes on business personal property raised approximately \$202 million for county school districts, including about \$97 million in excess levies. If the tax on business personal property were eliminated, school districts would face a revenue loss of nearly \$122 million, after adjusting for the school aid formula.

Impact on State Government

Because West Virginia is less reliant on property taxes than local governments, the fiscal impact of eliminating the tax on business personal property is less severe. But with the state facing a projected revenue deficit of \$250 million in FY 2016,[14] even after multiple years of spending cuts, any decrease in revenue could be detrimental.

State Collections

In FY 2015, West Virginia state government collected approximately \$6.8 million in property taxes, of which approximately \$1.25 million was from the business personal property tax. Eliminating the business personal property tax would result in a \$1.25 million loss for the state's General Revenue Fund.

School Aid

The loss of property tax revenue at the local level would trigger a higher payout of state dollars to local school districts through the school aid formula. The School Aid Formula calculates a minimum school funding allowance for each county school district. The formula determines the county share of the funding allowance based on school district property tax revenue, with the state making up the difference.

In FY 2015, the basic funding allowance calculated by the school aid formula was \$1.6 billion, with the local share calculated at \$432 million. This left \$1.2 billion as the state's responsibility for school district funding. Eliminating the business personal property tax would reduce the local share to \$352 million, thereby increasing the state's share to \$1.7 billion. Thus, the state would have to increase funding to local school districts by an estimated \$80 million.

The Legislature could raise the current school district levy rates of 38.8 cents per \$100 (Class II) and 77.6 cents per \$100 (Class III & IV) to their constitutional maximum rates of 45.9 cents per \$100 (Class II) and 91.8 cents per \$100 (Class III & IV) to allow the school districts to replace lost revenue. However, even at the constitutional maximum levy rates, school districts would not be able to recoup all of the lost revenue. Eliminating the property tax on business personal property and raising school levy rates to the constitutional max would leave 31 school districts a total of \$47 million short of their current revenue amounts.

If West Virginia increased aid to school districts by \$80 million, it could create larger budget gaps for the state. To avoid cutting programs and services, the state would have to find a dedicated source of additional revenue.

Conclusion

Reducing or eliminating property taxes on business personal property would lead to large revenue losses, weakening the ability of local governments to invest in roads, public safety, and recreation. Replacing the lost revenue would likely result in higher property taxes for homeowners and real property owned by other businesses.

By including both real and personal property, West Virginia maintains a broad property tax base. This in turn keeps rates low, and ensures property tax payments are directly proportional to the amount of property a taxpayer owns. Eliminating the tax on business personal property would dramatically narrow the state's property tax base, likely leading to higher rates and introducing more inequity into the system.

Eliminating the personal property taxes would also force action by the Legislature to ensure adequate funding for education and increase the state's share of the School Aid Formula. Counties and municipalities would require greater flexibility in generating revenue, including removing levy rate caps and giving local governments the power to levy income,

sales, or severance taxes at the local level. Each of these options would result in a tax shift, increasing taxes on other businesses and homeowners.

The state's ability to generate revenue has been compromised by tax cuts and a slow growing economy, resulting in multiple rounds of budget cuts. Further eroding state and local revenues can only have more detrimental effects.

Endnotes

- 1 Jared Walczak, "Reforming West Virginia's Tangible Personal Property Tax," (Presentation to West Virginia Joint Select Committee on Tax Reform, Charleston, WV, October 2015).
- 2 Jeff Jenkins, "Tax reform committee heading toward final stages," MetroNews, September 21, 2015.
- 3 Tax Foundation, "Location Matters The State Tax Costs of Doing Business" (2015).
- 4 WV Constitution, Article X, 10-1b.
- 5 WV State Tax Department, "Manufacturing Property Tax Adjustment Credit," (Report to the Joint Committee on Government and Finance, Charleston, WV, July 1, 2012).
- 6 WV Tax Department, "West Virginia Tax Expenditure Study: Business Tax, Excise Tax, and Property Tax Expenditures" (January 2015).
- 7 Ibid.
- 8 Sean O'Leary and Ted Boettner, "Every Dollar Counts: The Need for Transparency and Evaluation of Business Tax Incentives," (West Virginia Center on Budget and Policy, October 2012).
- 9 Institute on Taxation and Economic Policy, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States," (January 2015).
- 10 West Virginia Center on Budget and Policy analysis.
- 11 See the following: Larry DeBoer, "Taxing Inventory: An Analysis of its Effects in Indiana," *Indiana Business Review* Fall (1999): 1-6, downloaded from <http://www.ibrc.indiana.edu/ibr/1999/fall99/01.pdf>; Stephen T. Mark, Therese J. McGuire, and Leslie E. Papke, "The Influence of Taxes on Employment and Population Growth: Evidence from the Washington D.C. Metropolitan Area," *National Tax Journal* 53 (2000): 105-23; Judith Phillips, "The Inventory Tax and Mississippi's Business Tax Climate: An Overview for Decision Makers" (The John C. Stennis Institute of Government, Mississippi State University, December 2007), downloaded from http://www.sig.msstate.edu/files/200_0108_Inventory_Tax.pdf; and John Matthews, "Inventory Taxes," Policy Brief Number 136 (Fiscal Research Center, Georgia State University, December 2006), downloaded from <http://www.iwla.com/CustomFiles/downloads/04D3C9B2-17D9-4C91-B28C-8CB6D01DBD0E.pdf>.
- 12 Growth in manufacturing capital investment calculated from data from the U.S. Census Bureau 2007 and 2012 Economic Census. Effective property tax rates are from Lincoln Institute of Land Policy and Minnesota Taxpayers Association, "50 State Property Tax Comparison Study" (2011). Effective tax rates are calculated for an industrial facility in an urban area with \$1 million in real property and \$1 million in personal property (\$500,000 machinery and equipment, \$400,000 inventories, and \$100,000 fixtures).
- 13 According to the Tax Foundation's "Location Matters" report, 38 states plus D.C. levy property taxes on machinery and equipment, while 13 states do not. The states with taxes on machinery and equipment had an average increase in machinery and equipment expenditures of 2.0%, with a standard deviation of 27.6%. The states without taxes on machinery and equipment had an average increase in machinery and equipment expenditures of 11.0%, with a standard deviation of 40.0%. The difference was not significant, with a t-value of 0.72, below the 90% confidence critical value of 1.677.
- 14 Eric Eyre, "WV budget cuts expected to hurt services," *Charleston Gazette-Mail*, October 6, 2015.

Appendix - Estimated Impact of Eliminating the Business Personal Property Tax

Table A-1

Potential Local Government Property Tax Revenue Losses

	Municipal	County	School (Regular)*	School (Excess/Bond)*	Total Local Government
Barbour	\$79,000	\$485,000	\$112,000	\$0	\$676,000
Berkeley	\$300,000	\$1,388,000	\$334,000	\$2,817,000	\$4,839,000
Boone	\$266,000	\$4,944,000	\$736,000	\$5,468,000	\$11,414,000
Braxton	\$30,000	\$274,000	\$59,000	\$161,000	\$524,000
Brooke	\$729,000	\$1,527,000	\$290,000	\$2,340,000	\$4,886,000
Cabell	\$2,046,000	\$5,083,000	\$474,000	\$6,716,000	\$14,319,000
Calhoun	\$6,000	\$76,000	\$13,000	\$17,000	\$112,000
Clay	\$8,000	\$146,000	\$31,000	\$66,000	\$251,000
Doddridge	\$22,000	\$1,426,000	\$260,000	\$2,205,000	\$3,913,000
Fayette	\$476,000	\$2,470,000	\$356,000	\$2,643,000	\$5,945,000
Gilmer	\$25,000	\$216,000	\$38,000	\$113,000	\$392,000
Grant	\$47,000	\$542,000	\$117,000	\$0	\$706,000
Greenbrier	\$328,000	\$961,000	\$404,000	\$1,604,000	\$3,297,000
Hampshire	\$11,000	\$191,000	\$39,000	\$0	\$241,000
Hancock	\$546,000	\$1,419,000	\$271,000	\$2,759,000	\$4,995,000
Hardy	\$66,000	\$313,000	\$67,000	\$115,000	\$561,000
Harrison	\$1,586,000	\$3,654,000	\$799,000	\$4,441,000	\$10,480,000
Jackson	\$272,000	\$2,224,000	\$351,000	\$2,608,000	\$5,455,000
Jefferson	\$160,000	\$826,000	\$192,000	\$1,475,000	\$2,653,000
Kanawha	\$4,091,000	\$10,103,000	\$1,549,000	\$7,506,000	\$23,249,000
Lewis	\$96,000	\$1,165,000	\$226,000	\$754,000	\$2,241,000
Lincoln	\$10,000	\$323,000	\$51,000	\$383,000	\$767,000
Logan	\$243,000	\$4,020,000	\$604,000	\$4,490,000	\$9,357,000
Marion	\$669,000	\$2,648,000	\$486,000	\$4,082,000	\$7,885,000
Marshall	\$1,006,000	\$3,390,000	\$1,175,000	\$8,315,000	\$13,886,000
Mason	\$138,000	\$1,005,000	\$221,000	\$1,886,000	\$3,250,000
McDowell	\$196,000	\$1,320,000	\$369,000	\$2,744,000	\$4,629,000
Mercer	\$267,000	\$965,000	\$209,000	\$1,549,000	\$2,990,000
Mineral	\$153,000	\$902,000	\$276,000	\$1,211,000	\$2,542,000
Mingo	\$236,000	\$1,902,000	\$211,000	\$3,251,000	\$5,600,000
Monongalia	\$992,000	\$2,686,000	\$1,251,000	\$5,389,000	\$10,318,000
Monroe	\$11,000	\$122,000	\$12,000	\$140,000	\$285,000
Morgan	\$6,000	\$120,000	\$26,000	\$135,000	\$287,000
Nicholas	\$214,000	\$1,087,000	\$228,000	\$1,012,000	\$2,541,000
Ohio	\$1,301,000	\$1,862,000	\$815,000	\$3,465,000	\$7,443,000
Pendleton	\$7,000	\$106,000	\$23,000	\$0	\$136,000
Pleasants	\$81,000	\$547,000	\$116,000	\$1,054,000	\$1,798,000

	Municipal	County	School (Regular)*	School (Excess/Bond)*	Total Local Government
Pocahontas	\$8,000	\$109,000	\$24,000	\$0	\$141,000
Preston	\$87,000	\$473,000	\$102,000	\$315,000	\$977,000
Putnam	\$304,000	\$1,455,000	\$417,000	\$3,114,000	\$5,290,000
Raleigh	\$751,000	\$4,439,000	\$887,000	\$5,419,000	\$11,496,000
Randolph	\$130,000	\$604,000	\$131,000	\$392,000	\$1,257,000
Ritchie	\$47,000	\$261,000	\$38,000	\$184,000	\$530,000
Roane	\$22,000	\$233,000	\$35,000	\$9,000	\$299,000
Summers	\$12,000	\$51,000	\$11,000	\$0	\$74,000
Taylor	\$105,000	\$930,000	\$155,000	\$785,000	\$1,975,000
Tucker	\$49,000	\$410,000	\$85,000	\$0	\$544,000
Tyler	\$67,000	\$454,000	\$88,000	\$655,000	\$1,264,000
Upshur	\$183,000	\$982,000	\$212,000	\$675,000	\$2,052,000
Wayne	\$599,000	\$1,235,000	\$126,000	\$2,305,000	\$4,265,000
Webster	\$28,000	\$307,000	\$66,000	\$0	\$401,000
Wetzel	\$221,000	\$2,081,000	\$420,000	\$3,119,000	\$5,841,000
Wirt	\$1,000	\$18,000	\$3,000	\$18,000	\$40,000
Wood	\$1,269,000	\$2,039,000	\$462,000	\$3,269,000	\$7,039,000
Wyoming	\$145,000	\$1,705,000	\$189,000	\$2,935,000	\$4,974,000
Total	\$20,747,000	\$80,224,000	\$16,243,000	\$106,111,000	\$223,325,000

Source: WVCPB analysis of West Virginia State Tax Department data.

*Adjusted for changes to School Aid Formula.

Table A-2
Potential State Government Property Tax Revenue Losses

	State Collections	Increase in State Aid to Schools	Total State Government
Barbour	\$9,000	\$593,000	\$602,000
Berkeley	\$25,000	\$1,597,000	\$1,622,000
Boone	\$60,000	\$3,886,000	\$3,946,000
Braxton	\$5,000	\$313,000	\$318,000
Brooke	\$20,000	\$1,298,000	\$1,318,000
Cabell	\$60,000	\$3,839,000	\$3,899,000
Calhoun	\$1,000	\$70,000	\$71,000
Clay	\$3,000	\$166,000	\$169,000
Doddridge	\$21,000	\$1,397,000	\$1,418,000
Fayette	\$29,000	\$1,878,000	\$1,907,000
Gilmer	\$3,000	\$201,000	\$204,000
Grant	\$9,000	\$618,000	\$627,000
Greenbrier	\$20,000	\$1,152,000	\$1,172,000
Hampshire	\$3,000	\$205,000	\$208,000
Hancock	\$22,000	\$1,430,000	\$1,452,000
Hardy	\$5,000	\$357,000	\$362,000
Harrison	\$55,000	\$3,438,000	\$3,493,000

	State Collections	Increase in State Aid to Schools	Total State Government
Jackson	\$28,000	\$1,854,000	\$1,882,000
Jefferson	\$15,000	\$949,000	\$964,000
Kanawha	\$124,000	\$8,063,000	\$8,187,000
Lewis	\$18,000	\$1,191,000	\$1,209,000
Lincoln	\$4,000	\$272,000	\$276,000
Logan	\$49,000	\$3,191,000	\$3,240,000
Marion	\$40,000	\$2,612,000	\$2,652,000
Marshall	\$86,000	\$5,502,000	\$5,588,000
Mason	\$18,000	\$1,142,000	\$1,160,000
McDowell	\$30,000	\$1,950,000	\$1,980,000
Mercer	\$17,000	\$1,101,000	\$1,118,000
Mineral	\$13,000	\$748,000	\$761,000
Mingo	\$33,000	\$2,169,000	\$2,202,000
Monongalia	\$71,000	\$4,235,000	\$4,306,000
Monroe	\$2,000	\$122,000	\$124,000
Morgan	\$2,000	\$137,000	\$139,000
Nicholas	\$19,000	\$1,247,000	\$1,266,000
Ohio	\$36,000	\$2,013,000	\$2,049,000
Pendleton	\$2,000	\$123,000	\$125,000
Pleasants	\$10,000	\$626,000	\$636,000
Pocahontas	\$2,000	\$126,000	\$128,000
Preston	\$8,000	\$540,000	\$548,000
Putnam	\$26,000	\$1,635,000	\$1,661,000
Raleigh	\$59,000	\$3,694,000	\$3,753,000
Randolph	\$11,000	\$691,000	\$702,000
Ritchie	\$3,000	\$201,000	\$204,000
Roane	\$3,000	\$184,000	\$187,000
Summers	\$1,000	\$58,000	\$59,000
Taylor	\$13,000	\$820,000	\$833,000
Tucker	\$7,000	\$474,000	\$481,000
Tyler	\$7,000	\$466,000	\$473,000
Upshur	\$17,000	\$1,120,000	\$1,137,000
Wayne	\$20,000	\$1,297,000	\$1,317,000
Webster	\$5,000	\$350,000	\$355,000
Wetzel	\$34,000	\$2,217,000	\$2,251,000
Wirt	\$0	\$14,000	\$14,000
Wood	\$37,000	\$2,430,000	\$2,467,000
Wyoming	\$30,000	\$1,945,000	\$1,975,000
Total	\$1,251,000	\$79,951,000	\$81,202,000

Source: WVCBP analysis of West Virginia State Tax Department data.