



County Real Tax Dollar Assessments – June 12, 2022 Report to Joint Standing Committee on Finance

Members of the Joint Standing Committee on Finance, West Virginia Legislature –

The West Virginia Association of County Officials (WVACO) presents this summary report of real dollar tax assessments among West Virginia's fifty-five counties for the past 7 years, from TY 2015 to TY 2021. The data was gathered thru the hard work of a small group of West Virginia Assessors from Randolph, Harrison, Monongalia and Tucker Counties, in coordination with Global Science & Technology, Inc., a Fairmont, WV IT services company.

The assessors are part of an ad hoc working group among county officials to review and assess the projected outcomes of passing Amendment 1, the "Property Tax Modernization Amendment" which is on the ballot before West Virginia voters this November 8.

First, in order to help you understand the numbers, a "legend" is provided here to explain the types of business and residential personal properties that Amendment 1 may exempt:

- **M&E (Machinery and Equipment):** machinery, tools
- **F&F (Furniture and Fixtures):** office desks, chairs/sofas, shelving, lights, etc.
- **LI (Leasehold Investments):** - modifying a rental property (you do not own) to suit your needs, say if you have a restaurant business, etc. and outfit the property to meet your business needs
- **CE (Computer Equipment)**
- **INV (Inventory):** finished/manufactured products; car lots; retail inventory
- **VEH (Vehicles):** personal motor vehicle (cars), trucks, vans, ATVs, motorcycles and like (NOT airplanes, boats - non-roadway vehicles)

We refer you to the spreadsheet detailing **TY 2021**, the most recent year for recording numbers. Numbers range from a high with Kanawha County at over \$60 million at risk of loss, and a low of \$443,624 at risk for Calhoun County.

If you look to the bottom of the page, you will see a grand total amount for gross tax dollar assessments as **\$515,221,960.46**. That number includes combining the totals from each category described above to \$465,221,960.46, and an addition of \$50 million in supplemental property taxes – supplementals*.

Now, refer to the TY 2021 spreadsheet that compares County numbers to those captured by the WV State Tax Department. Over the past 6-7 weeks, our assessor team has held several meetings with officials from State Tax to compare the numbers both entities calculate for tax assessments, and clarifying the definitions used. We are pleased to report that 28 counties have less than \$100 in difference - and one of these has no difference in calculations!! 10 more counties have less than \$1000 in difference; 8 less than \$10 thousand. However, 9 counties do show sizable disparities of over \$10 thousand that must be analyzed further (6 over \$10 thousand; 2 over \$100 thousand; 1 over \$300 thousand.)

* taxes paid late by the tax payer, say, his car tax that was due in 2020, but was missed in property assessment records at that time. When the tax payer comes into the Assessor's office to update their car tags, it will show in the record of a missed payment, in which a "tax ticket" is written by the assessor in the moment and paid by the tax payer.

Now, let's review the years from 2015 thru 2020.

In 2015, the total of gross tax dollars (inc. \$50 million in supplementals) is the high mark of the last seven years: **\$575,620,585.98**. In 2016, that drops down to \$514,569,128.54, an approximate \$60 million drop. The reason? Look at the **Manufacturing & Equipment (M&E)** category and you find your answer. We believe this will correspond in the drop in coal mining/production in the state. You'll see all other categories are relatively stable compared to the change in M&E.

The overall drop in gross tax totals continues in 2017 and 2018, before increasing again in 2019 to \$504,807,914.07 – but still \$10 million less three years earlier in 2016. But In 2020, we see a sizable jump up by approximately \$18 million, before a drop of \$7 million in 2021.

This summarizes the data of the past seven years' assessments in real, gross tax dollars among West Virginia's 55 counties regarding manufacturing and equipment, inventory and motor vehicles as directed for tax reforms under Amendment 1 this November. West Virginia Counties and their officials stand ready to work with the Legislature in formulating fair, equitable tax reform that benefits all our citizens and wholly maintains the funding that provides our necessary, immediate local government services for them.