

**TITLE 110
LEGISLATIVE RULE
STATE TAX DEPARTMENT**

**SERIES 15I
CONSUMER SALES AND SERVICE TAX AND USE TAX
EXECUTIVE ORDERS DECLARING EMERGENCY AND EXEMPTING FROM TAX
MOBILE HOMES AND SIMILAR UNITS AND BUILDING MATERIALS USED AND
CONSUMED IN REPAIR OR REPLACEMENT OF RESIDENCES AND BUSINESSES
DAMAGED IN A DISASTER**

§110-15I-1. General.

1.1. Scope. -- This legislative rule explains and clarifies application of an Executive Order declaring a state of emergency that exempts from Consumers Sales and Service Tax and Use Tax purchases of mobile homes, house trailers, modular homes and similar units by and for persons rendered homeless by a disaster and the service of installing them, and purchases of building construction materials and supplies used or consumed in the repair, restoration, reconstruction or replacement of structures damaged in a disaster, during the period of time stated in the Executive Order.

1.2. Authority. -- W. Va. Code §11-10-5.

1.3. Filing Date. -- May 5, 2005.

1.4. Effective Date. -- June 1, 2005

§110-15I-2. Interpretive Note.

2.1. This legislative rule incorporates by reference legislative rule Consumer Sales and Service Tax and Use Tax, W. Va. Code §110-15, and shall be read in pari materia with that rule. The definitions, policies, and procedures provided in that rule are equally applicable to purchases made under this rule. To the extent that this legislative rule differs from W. Va. Code §110-15, then for the purposes of the purchases, installations, repairs, restorations and reconstructions or replacements that occur as a result of the disaster referenced in the Executive Order, this legislative rule governs. However, for all other purposes, W. Va. Code §110-15 governs the application of the Consumer Sales and Service Tax and Use Tax.

§110-15I-3. Definitions.

3.1. “Executive Order” means an Executive Order issued by the Governor of the State of West Virginia under the authority of W. Va. Code §15-5-6(g) that exempts from Consumers Sales and Service Tax and Use Tax certain purchases related to recovery from damage resulting from a disaster, as that term is defined in W. Va. Code §15-5-2.

3.2. “FEMA” means the Federal Emergency Management Agency.

3.3. “Mobile home, house trailer, modular home or similar units” means and includes any factory built home or manufactured home as defined in W. Va. Code §37-15-2.

§110-15I-4. Exempt purchases.

4.1. Purchases of mobile homes, house trailers, modular homes or similar units primarily designed for permanent habitation and occupancy, purchases of the service of installing those units and purchases of contracts for installation of those units by or for persons that have been rendered homeless by the disaster referenced in the Executive Order are exempt from Consumer Sales and Service Tax; Provided, That the mobile homes, house trailers, modular homes or similar units for which the exemption is claimed are sited and installed within the State of West Virginia for use as the primary habitation of one or more persons who have been rendered homeless by the disaster.

4.1.1. The Sales Tax imposed by W. Va. Code §11-15-7a and the use tax imposed by W. Va. Code §11-15A-2b on the manufacturer or seller of a modular home is not applicable to any modular homes, or building materials for incorporation in the modular home, sold to a modular dwelling manufacturer or seller for resale to or for persons that have been rendered homeless by the disaster referenced in the Executive Order; Provided, That no credit under W. Va. Code §11-15-7a(b) or W. Va. Code §11-15-2b(b) shall be given for any tax lawfully imposed and paid to another state and paid by the manufacturer on the purchase of building supplies and materials used in the manufacture of the modular dwelling.

4.2. Tangible personal property in the form of building construction materials and supplies purchased for direct and immediate use or consumption in the repair and restoration of residential and business properties located within the State of West Virginia that were damaged by the disaster referenced in the Executive Order are exempt from Consumers Sales and Service Tax and Use Tax; Provided, That the purchases are made by the owner of the damaged structure or by the person who will actually perform the repair and restoration for that owner.

4.3. Tangible personal property in the form of building construction materials and supplies purchased for direct and immediate use or consumption in the reconstruction or replacement of residential and business properties located within the State of West Virginia, that were sufficiently damaged or destroyed by the disaster referenced in the Executive Order so as to require reconstruction or replacement are exempt from Consumers Sales and Service Tax and Use Tax; Provided, That the purchases are made by the owner of the structure or by the person who will actually perform the reconstruction for that owner.

4.3.1. If the property owner relocates his or her residence or commercial building to a new site, he or she may still claim the exemption in constructing a new residence or commercial building; Provided, That the new residence or commercial building is located within the State of West Virginia.

4.4. This exemption applies to those building construction materials and supplies that are used or consumed in the repair or reconstruction of a structure or in the

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construction of a replacement structure. This includes certain essential equipment that is classified as a fixture to the structure. Examples of building construction materials and supplies that may be purchased under this rule exempt from tax include, but are not necessarily limited to:

- bathtubs
- brick
- cement block
- central heating or central air conditioning units and ductwork
- circuit breakers and circuit breaker panels
- decking
- doors, interior and exterior
- electrical wall switches, electrical receptacles and fuse boxes
- electric wiring
- floor coverings, including wall-to-wall carpeting
- hot water heaters
- insulation
- kitchen cabinets and counters
- lumber
- nails and screws
- paint
- plumbing supplies and fixtures
- plywood
- roofing
- siding
- sump pumps
- wall board
- wall paneling
- wallpaper
- well pumps, related pressure switches and water supply tanks
- windows

4.5. The exemption allowed by this rule does not apply to the replacement or repair of tangible personal property that, although destroyed, is not classified as a permanent fixture to the structure. The exemption does not apply to non-essential or luxury items or to typical household appliances. Examples of non-exempt purchases include, but are not limited to:

- backhoes
- boats
- bulldozers
- clothes dryers
- computers
- cooking utensils, pots and pans
- dish washers (whether or not built-in)
- draperies
- food
- freezers
- furniture

- guns
- hand tools
- hot tubs or components of hot tubs
- lawnmowers
- microwave ovens (whether or not built-in)
- power tools
- refrigerators (whether or not built-in)
- stoves (whether or not built-in)
- swimming pools or components of swimming pools
- tangible personal property used in carrying on a business*
- television satellite dishes
- televisions
- washing machines

* These purchases are taxable unless the purchase is exempt under a provision of the consumers sales and service tax law or the use tax law, or unless the purchase is exempt under another provision of the West Virginia Code. For example: Purchases of some business inventory items may be subject to the purchases for resale exemption of W. Va. Code §11-15-9(a)(9).

§10-15I-5. Procedure for Claiming the Exemption.

5.1. Mobile homes, house trailers, modular homes and similar units. In the case of purchases of mobile homes, house trailers, modular homes and similar units that qualify for the exemption authorized by this rule, if the purchaser is a person rendered homeless by the disaster, the purchaser shall present to the seller a set of documentation consisting of a completed and executed special exemption certificate, developed by the Tax Department for this rule, and a copy of a FEMA housing assistance letter showing the purchaser to be a person who has a housing need resulting from the disaster. The seller shall retain a copy of this set of documents in the sales records subsequent to the sale.

5.1.1. If the purchase of a mobile home, house trailer, modular home or similar unit that qualifies for the exemption authorized by this rule is made by a contractor or other person for and on behalf of a person who was rendered homeless by the disaster, the purchaser shall present to the seller a set of documentation consisting of a completed and executed special exemption certificate, developed by the Tax Department for this rule, and a copy of a FEMA housing assistance letter showing the person for and on behalf of whom the purchase is made to be a person who has a housing need resulting from the disaster. The seller shall retain a copy of this set of documents in the sales records subsequent to the sale.

5.2. Building construction materials. In the case of purchases of building materials the exemption authorized by this rule shall be asserted at the time the building materials are purchased by or for the property owner who has suffered disaster related damage, by presenting to the vendor a set of documentation consisting of a completed and executed special exemption certificate, developed by the Tax Department for this rule, and documentation verifying the disaster related losses of the property owner by or for whom the purchases are made. For example: a copy of a FEMA housing assistance

letter, proof of settlement of an insurance claim for damage resulting from the disaster, an insurance adjuster's record of damage inspection or any other documentation determined by the Tax Department to be acceptable.

5.2.1. For purchases qualified for exemption in accordance with this rule and that were made prior to the availability of the special exemption certificate, the purchaser may claim a refund by filing form WV/CST-240 with an attached copy of the FEMA housing assistance letter, a copy of the proof of settlement of an insurance claim for damage resulting from the disaster, or a copy of the insurance adjuster's record of damage inspection.

5.3. The property owner who has suffered disaster related damage or a contractor or other person making purchases of building materials for repair, reconstruction or replacement of property of the property owner shall file one set of the documentation specified in subsection 5.2 of this section for each damaged or destroyed structure with each vendor. If the purchaser is claiming the exemption on purchases from more than one vendor, the property owner shall have a set of documentation on file with each of the vendors from whom exempt purchases are made. If the purchaser has two structures that suffered damage, then the purchaser shall have a set of documentation on file with each vendor for each loss. The required documentation needs to be filed with a vendor only one time. The vendor shall keep records that tie each exempt purchase to the appropriate documentation.

5.4. If the purchaser is a contractor who is doing the repair or reconstruction work, or, in the case of a property owner who has suffered disaster related damage and who relocates, a contractor doing the construction work for that relocated property owner, the contractor shall file the required set of documentation with each vendor.

5.4.1. The contractor may only assert the exemption for building construction materials and supplies that are purchased for direct and immediate use or consumption in the repair or reconstruction of the residential and business property to which the exemption certificate applies.

5.4.2. If the property owner relocates to a different site in West Virginia, the contractor may only assert the exemption for building construction materials and supplies that are purchased for direct and immediate use and consumption in the construction of the residential property or commercial structure to which the exemption certificate applies.

5.4.3. The contractor may only assert the exemption in relation to qualified structures located within the State of West Virginia.

§ 110-15I-6. Implementation of Rule.

6.1. This rule shall be implemented only through the issuance of an Executive Order issued as a result of a specified disaster.

6.2. The exemption authorized by the Executive Order and implemented by this rule applies to eligible purchases made within the dates specified in the Executive Order.