



West Virginia Tax Tips for Senior Citizens

The purpose of this publication is to provide general information to senior citizens regarding West Virginia taxes. It includes information on personal income tax, senior citizens tax credit, sales and use tax, excise tax, estate tax and property tax. This information is not a substitute for legislative rules or tax laws.

Personal Income Tax

West Virginia personal income tax is imposed on resident individuals, part-year residents, nonresidents, estates and trusts. The personal income tax is an annual tax similar to the federal income tax. The federal adjusted gross income is the starting point for determining West Virginia personal income tax liability. A number of increasing and decreasing modifications are made to determine West Virginia adjusted gross income. West Virginia does not allow either a standard deduction or itemized deductions when determining West Virginia taxable income.

Income Tax Return: Calendar year taxpayers must file an annual return by April 15th each year for the preceding year. You must file a State income tax return if you were required to file a federal return, if you were not required to file a federal return, but your West Virginia adjusted gross income is greater than your personal exemption allowance or to obtain a refund. You may be required to file a return even if you do not owe any tax.

Estimated Tax: Quarterly estimated tax payments are required for individuals if your estimated tax liability (estimated tax reduced by any state tax withheld from income) exceeds \$600, unless that liability is less than ten percent (10%) of your estimated tax. Estimated returns are due April 15, June 15, September 15, and January 15.

Extension of Time for Filing Return: West Virginia will accept an automatic federal extension, a copy of which must be attached to the West Virginia return in order to avoid any penalty for late filing. The estimated tax liability must be prepaid and submitted with Schedule L. Any granted extension is for filing purposes only and does not relieve the taxpayer of late payment penalties and interest on any amount of tax not paid by due date.

Exemptions: A personal exemption of \$2,000 is allowed for each personal exemption. Your West Virginia personal exemptions are the same as your federal exemptions. A surviving spouse is allowed one additional \$2,000 exemption for two taxable years following the year of death of his or her spouse.

Increasing and Decreasing Modifications: Computation of West Virginia taxable income begins with federal adjusted gross income to which specific increases and/or decreases are made. Each taxpayer who is (a) age 65 or older during any part of the taxable year; or (b) permanently and totally disabled may deduct from their federal adjusted gross income up to \$8,000 of his/her income received from any source. If a joint return is filed by two qualifying individuals, up to \$8,000 of income received by each individual may be deducted.

An individual, regardless of age, may deduct up to \$2,000 of benefits received from West Virginia Teachers Retirement System, West Virginia Public Employees Retirement System, Military Retirement and Federal Retirement Systems (Title 4 USC § 111).

The total amount of any benefit (including survivorship annuities) received from any West Virginia state or local police, deputy sheriff's or firemen's retirement system may be deducted.

Additional Military Retirement Exclusion: Military retirees are able to take an additional decreasing modification for military retirement up to \$20,000.

Social Security Income: Social security income is taxable to West Virginia income tax ONLY to the extent that the income is includible in your federal adjusted gross income.

Tax Rate: Tax is computed at a graduated rate and is assessed in a range beginning at three percent to six and one-half percent.

Tax Credits: Senior citizens eligible for the Homestead Exemption Program may be entitled to claim a refundable tax credit. Credit eligibility is restricted to those who meet the following criteria in addition to participating in the Homestead Exemption Program:

- They must incur and pay a property tax liability
- Their federal adjusted gross income must meet the low income test
- They must file a document to verify annual income and the amount of credit (either an income tax return or complete form WV/SCTC-1)

A Family Tax Credit is also available to certain individuals or families that may reduce or eliminate their West Virginia personal income tax. They may be entitled to this credit if they meet certain income limitations and family size.

Withholding From Your Pension: If you are a resident and receive a pension, you may be able to have West Virginia income tax withheld from your pension payments. Contact your pension payer and request form IT-104.

Sales and Use Tax

The Consumers Sales and Service ("sales tax") is imposed on all sales of tangible personal property or taxable services at the rate of six percent unless the sale is specifically exempt by statute. Effective July 1, 2008, tax applies to sales of food at the rate of 3%. Sales of prescription drugs are exempt from the tax. The exemption for drugs includes all sales of drugs or appliances to a purchaser, upon a written prescription of a physician or dentist and any other professional person licensed to prescribe.

Use tax is imposed on persons purchasing tangible personal property or taxable services from out-of-state vendors when the purchase is for use in this State. Use tax is due on all purchases made through the internet, via mail order, or from an out-of-state company when West Virginia sales tax is not collected. The Use Tax is the same rate as the sales tax rate. Credit is allowed for sales or use taxes paid to another state with respect to the purchase.

A senior citizens discount allowed at the time of purchase shall not be included in arriving at the final purchase price subject to sales tax. Senior West Virginians age 60 and older are eligible for the Golden Mountaineer Discount Card. This card can be used for pharmaceutical discounts, retail and professional discounts. To apply for or obtain information about this card call 304-558-3317 or toll free 1-877-987-3646.

Excise Tax

West Virginia imposes a 20.5 cents per gallon excise tax on gasoline and special fuel sold in this State. "Special fuel" means any fuel other than gasoline which is commonly used or practically suited for use as a fuel in an internal combustion engine.

West Virginia also imposes a 11 cents per gallon sales tax on gasoline and special fuel.

Property Tax

The West Virginia property tax is an annual tax imposed on personal (tangible as well as intangible) and real property. Property is assessed in the county where it is located on July 1st each year. Individuals must file a property tax return with their county assessor by October 1st for the next calendar year. Property tax bills (called tax tickets) are mailed to property owners during the month of July by county sheriffs, who collect the tax. Taxes are payable in two equal installments. First half taxes are due September 1st of the tax year and second half taxes are due March 1st of the next year.

The West Virginia Constitution specifies that the assessed value of property is 60 percent of its fair market value. All property is taxable except that which the Constitution exempts from taxation and that which the Legislature exempts from taxation pursuant to an express grant of authority in the Constitution. Exemptions of particular interest to individuals include: cash, bank accounts, household goods and personal effects. Owners of owner occupied residential real property, who are age 65 or older (or who are permanently and totally disabled), may be eligible for a \$20,000 homestead exemption. Application for this exemption must be submitted to the assessor of the county in which the property is located by October 1st for the next calendar year. (New residents have a two year waiting period.)

Motor Vehicles Taxes:

An individual who titles a motor vehicle with the West Virginia Division of Motor Vehicles must pay a \$10.00 title fee and a 5% sales tax based on the sales price of the vehicle regardless of whether it was purchased in or outside of West Virginia.

However, if a West Virginia resident purchases a vehicle outside of West Virginia and previously paid sales tax to the seller, a credit will be allowed, up to the amount that would have been due had the vehicle been purchased in this state, for sales tax previously paid.

This tax does not apply to the registration of a vehicle owned and titled in the name of a West Virginia resident if they relocated to this state. Certain documentation must be submitted to the West Virginia Division of Motor Vehicles before it is determined that no tax is due.

Motor vehicles are subject to an annual \$30.00 registration fee. At the time of registration, or renewal of registration, the applicant must submit proof of payment of personal property taxes on the vehicle and verification of liability insurance.

Every person who operates a motor vehicle on the highways of this State must have a driver's license. Applicants for a license to operate a passenger car or a light truck are required to pass a written test and demonstrate actual ability to operate a motor vehicle. If the applicant is also applying for a license to operate a motorcycle, a separate examination must be passed and a one-time fee of \$5 paid to add a motorcycle endorsement to the standard driver's license.

Nonresidents:

(1) A nonresident who becomes a resident of this state must register his or her vehicle with the West Virginia Division of Motor Vehicles within 30 days after moving the vehicle into this State. Noncompliance is a misdemeanor punishable, upon conviction, by a fine of up to \$500 or imprisonment for not more than six months, or both fine and imprisonment. West Virginia Code § 17A-11-1.

(2) A person licensed to operate a vehicle in another state must surrender his or her out-of-state license before a West Virginia driver's license will be issued. A nonresident who moves to West Virginia, must obtain a West Virginia driver's license within 30 days after moving into this State. Noncompliance is a misdemeanor punishable, upon conviction, by a fine of up to \$500 or imprisonment for not more than six months, or both fine and imprisonment. West Virginia Code § 17B-5-1.

For Additional Information on Taxes: Contact the following:

BECKLEY, WV 25801

407 Neville Street, Suite 109
Phone - (304) 256-6764

CHARLESTON, WV 25301

1206 Quarrier Street
Phone - (304) 558-3333 or
1-800-WVA-TAXS (1-800-982-8297)

CLARKSBURG, WV 26301

Huntington Bank Building, Suite 201
230 West Pike Street
Phone - (304) 627-2109

HUNTINGTON, WV 25704

2699 Park Avenue, Suite 230
Phone - (304) 528-5568

MARTINSBURG, WV 25404

397 Mid Atlantic Parkway, Suite 2
Phone - (304) 267-0022

PARKERSBURG, WV 26101

400 Fifth Street
Phone - (304) 420-4570

WHEELING, WV 26003

40 14th Street
Phone - (304) 238-1152

West Virginia State Tax Department
Taxpayer Services Division
P. O. Box 3784
Charleston, West Virginia 25337-3784
Telephone: (304) 558-3333
Toll free : 1-800-WVA-TAXS (1-800-982-8297)
or visit our web site:

<http://www.state.wv.us/taxdiv>

TDD service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)