



The Charleston Regional  
**Chamber of Commerce**

***ISSUE: Personal Property Taxes on Business Inventory, Manufacturing Machinery & Equipment***

**BACKGROUND**

West Virginia is one of only a few states who imposes property taxes on business tangible personal property. For years, this tax has been reported to hinder decisions to locate prospective businesses as well as expansions of businesses currently within the state. This tax provision is provided for under the West Virginia Constitution and could only be removed or altered by the voters. Counties receive proceeds used for operations under this provision. It is estimated that Counties receive more than \$589 million in revenues. Consideration of preventing or lessening the blow to Counties from the removal or decreasing this revenue stream is vitally important to the success of this endeavor.

**RECOMMENDATION**

The Charleston Regional Chamber has recommended in the past and continues to recommend that the West Virginia Constitution be amended to allow the Legislature to, by general law, exempt some or all tangible personal property from *ad valorem* property taxation: Provided, that Counties are provided adequate revenue to replace revenues lost by any personal property tax exemption. We suggest a phase out period to reduce such taxes so that Counties can adjust to this change over time, rather than abruptly.