



# STATE OF WEST VIRGINIA

## Department of Revenue State Tax Department

**Earl Ray Tomblin**  
Governor

**Craig A. Griffith**  
State Tax Commissioner

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July 26, 2012

Fred Nicely, Tax Counsel  
Council On State Taxation (COST)  
122 C Street, NW, Suite 330  
Washington, DC 20001

Re: COST suggestions relating to the application of West Virginia Sales and Service Tax and Use Tax to automobile leases.

Dear Fred:

This is in response to your suggested amendments to West Virginia laws and legislative rules as they relate to leasing of tangible personal property and leasing of motor vehicles.

We have reviewed your suggested amendments to our legislative rule 110 C.S.R. 15, Consumers Sales and Service Tax and Use Tax. Your suggested amendments are to section 110-15-129, Leases of Tangible Personal Property. Because of the many and varied complexities involved in opening and amending this particular legislative rule, we are considering accomplishing your suggestions through publication of an administrative notice. We will let you know when this notice has been filed with the Secretary of State's office and posted on our website.

Regarding your proposed changes to the West Virginia's statutes on the lease of motor vehicles, please see the enclosed copy of my response to the Streamlined Sales and Use Tax Compliance Review and Interpretation Committee. For the reasons stated in my response, we do not plan to recommend any changes to this statutory structure.

On the December Streamlined Governing Board call when West Virginia was found to be in compliance regarding this issue, the primary concern among leasing companies related to the requirement of certain leasing companies to obtain a Dealer License through the DMV. As explained by representatives of the DMV on our April 20<sup>th</sup> call, the procedure to get a dealer's license applies only to brick and mortar leasing companies in the state, most of which also sell vehicles from their dealership. These requirements do not apply to leasing companies without a bricks and mortar presence. It was our impression that the concerns of leasing companies were assuaged during the April 20<sup>th</sup> call.

Very truly yours,

Craig A. Griffith, Esq.  
State Tax Commissioner

Enclosure