



*This publication provides general information and is not meant to be a substitute for tax laws or regulations.*

### Business Registration Certificate

A West Virginia New Business Registration Application, [WV Bus-App](#), is required for each physical location in this state that a taxpayer will lease or rent to a third party. The new business registration application is available on the Division's website at [tax.wv.gov](#). The application may be filed through the Business for West Virginia Website at [business4.wv.gov](#) or by filing a signed hard copy with the Tax Commissioner.

A separate business registration certificate is needed for each location in this state from which the business engages with the public or a segment of the public. As a result, a separate application for each business name or office is necessary. However, a certificate for each rental building is not required. The determination on if a business registration certificate is needed depends on factors such as where operational records are kept or where business operations are conducted.

If you own short-term rental property, such as a hotel, house, apartment, cabin, campsite, condominium, room, or time-share, any rental of a unit of that property for **less than 30 consecutive days** is considered taxable activity. As such, a taxpayer is required to obtain a business registration certificate from the West Virginia Tax Division and comply with the tax laws of this State.

### Collection of State Sales and Use Taxes

West Virginia sales and use tax of 6% is due on taxable rentals. Additionally, when the rental unit is located within a municipality that imposes a sales and use tax, that tax must also be collected. A list of municipalities who impose sales and use taxes is posted on our website at [tax.wv.gov](#).

Additionally, the rental may be subject to county and municipal hotel occupancy taxes that are collected and remitted directly to the county or municipality imposing the tax. The rate of the hotel occupancy tax may not exceed 6% of the price charged to the customer.

Short-term rentals are often booked through online marketplaces, such as AirBnB, VRBO, HomeAway or similar sites. If state and municipal sales tax on a rental is collected by and through a marketplace facilitator, it **does not** need to also be collected and remitted by the owner or manager of the unit.

### Payment of Sales and Use Taxes for Purchases for Use in Business

The business must pay state and municipal sales and use taxes when it purchases tangible personal property for use or consumption in its short-term rental business activity. Tangible personal property or items used to maintain the property are subject to the sales and use tax, such as cleaning services, furniture, or repair and maintenance services. Only when the short-term rental business purchases tangible personal property for resale to its customers in a transaction that is subject to sales tax, is the purchase of those items by the short-term rental business exempt from sales and use tax as a purchase for resale. For example, the purchase of souvenirs for resale would be exempt from use tax when purchased by the business because the resale of the souvenirs to consumers would be subject to sales and use tax.

#### **For more information, you can:**

- **Call** a Taxpayer Services Representative at (304)558-3333 or toll-free at (800) 982-8297
- **Email** [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- **Go Online** to [tax.wv.gov](#)

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## Property Taxes

Real property is subject to State and local ad valorem property taxation. Real property is classified as either Class II, Class III, or Class IV property. The classification of property for property tax purposes is important when the levy rates are applied to the assessed value of the property to arrive at the property tax due.

**Business property**, including both real and tangible personal property, is generally taxed as **Class III** or **Class IV** property, depending upon whether the property is located within or outside a municipality. The business property will be taxed as Class III property if located outside a municipality, or as Class IV if located within a municipality.

**Owner-occupied residential real property** is taxed as **Class II** property and is generally taxed at half the rate of tax imposed on Class IV property. Owner-occupied residential real property may also be eligible for the senior citizens/permanently disabled persons homestead property tax exemption.

If owner-occupied residential property is also used for business purposes such as the short-term rental of rooms, the property may no longer be treated as Class II property and the homestead exemption may be lost. In order to avoid this issue, the owner of the property may ask the assessor of his or her county to split list the property for property tax purposes. When split listing occurs, the square footage of the portion taxed as owner-occupied residential real property will continue to be taxed as Class II property and that portion will be eligible for the senior citizens/permanently disabled persons property tax homestead exemption, if applicable. The square footage of the property used for business purposes will be taxed as Class III or IV property, depending upon whether the real property is located within or outside the boundaries of a municipality.

The tangible personal property used in the short-term rental business activity should be reported to the county assessor on the commercial business property return, which is due on September 1 for the next calendar tax year.

## Personal Income Tax

Computation of the West Virginia personal income tax begins with the taxpayer's federal adjusted gross income for the taxable year. **In general, the short-term rental of real property is treated as a business activity for federal income tax purposes and would be included in federal adjusted gross income making it subject to West Virginia personal income tax.** If a dwelling unit is a residence and rented for fewer than 15 days, an exception may apply so the receipts from the rental would not be subject to federal income tax. See [IRS Topic Number 415](#) – Renting Residential and Vacation Property. If this exception is applicable for federal income tax purposes, it is also applicable for West Virginia income tax purposes. However, this exception does not apply for purposes of any other tax imposed by the State or any political subdivision thereof.

If the short-term rental property is owned by a corporation, the corporation is subject to the corporation net income tax.

## Additional Information

If the rental property is located in a municipality, the business may need to obtain a business license from that municipality. The property may also be subject to land use and other laws of that municipality.

If the rental property is located in a municipality that imposes a business and occupation tax, gross rental income may be subject to municipal business and occupation taxes. West Virginia has 234 municipalities and approximately half of them impose a business and occupation tax. For a list of municipalities, effective dates and rates, visit our website at [tax.wv.gov](http://tax.wv.gov)

The rental property may need to be in compliance with the Americans With Disabilities Act, 42, U.S.C. § 121001 *et seq.* Liability issues should be discussed with an attorney or insurance company representative.