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# West Virginia Enacts Special Apportionment Rules for Motor Carriers

STATE AND LOCAL TAX, TAX, TRANSPORTATION & LOGISTICS  
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Recently the State of West Virginia enacted special apportionment rules for motor carriers owned by individuals, partnerships, other pass-through entities and small business corporations. Carriers must now apportion business income to West Virginia using a single-factor formula by dividing the total vehicle miles traveled within the state during the tax year by the aggregate vehicle miles traveled everywhere.

“Vehicle mile” is defined as the operation of a motor carrier over a distance of one mile, whether owned or operated by a corporation.

West Virginia defines a “motor carrier” as any person engaging in the transportation of passengers and/or property, for compensation by motor-propelled vehicle over West Virginia roads, whether traveling on a scheduled route or otherwise.

The above formula does not apply to motor carriers that do not own or rent real or tangible personal property in West Virginia, except vehicles, that have traveled less than 50,000 miles in the state and made no pick-ups or deliveries in the state during the taxable year; nor those that make no more than 12 trips into or through the state during the taxable year.

The number of miles traveled under 50,000 and the miles traveled in the state during the 12 trips cannot represent more than 5% of the total vehicle miles traveled throughout the United States during the entire tax year.

The law is effective July 1, 2019 and applies to all tax years beginning on or after January 1, 2018.

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