

## **A STUDY ON VARIOUS TAXES IMPOSED AND COLLECTED IN THE US STATE OF WEST VIRGINIA IN THE LAST SEVEN YEARS**

Author: Sonia M.D  
Master of business administration  
PES university

Under the guidance of  
Prof. Revati Ravi

### **Abstract**

This paper shows the comparison study of different taxes that are imposed in West Virginia from 2014 to 2021. West Virginia has noticed major fluctuations during the seven years period in the tax implication with different rates due to changes in reforms of legislation and economic conditions of the country. The main aim of this study is to shed light on the different categories of tax and their trends over the evolution of state tax policy.

The paper discusses about the business and occupation tax which shows the year wise data and its percentage change and net revenue collected over the years where there can be fluctuations that is observed which shows that the change is due to tax reforms and tax rates

Later the paper discusses about the income tax that is collected or net collection revenue through income tax from 2014-2021 due to progression in tax rates which can affect both individual as well as business tax payers where the attention is given to exemptions and deductions that can be changed over the year

Then it goes to discussing the consumer and sales tax or the revenue generated to West Virginia through consumer and sales tax where fluctuations in contraction of goods and services that are taxable where it can be said about the net collection and utilization of sales tax.

Finally, this paper discusses about the collection of barrel tax where it can be shown that fluctuation in this rate of tax as impacted the percentage change in collection tax which shows the year wise data and its percentage change and net revenue collected over the years where there can be fluctuations that is observed which shows that the change is due to tax reforms and tax rates.

## **Introduction**

Taxation policies in different states plays a major role in generating revenue and developing the nation which helps in shaping its future. To make a proper and correct decision it is important to understand the policies and their effects on individuals and businesses and their evolution.

This paper aims to know and compare the various taxes that are imposed in West Virginia from the year 2014 to 2021 by comparing we can understand the evolution, changes and implication of these taxes it shows how to achieve balance between both equal taxation system and generating revenue.

West Virginia taxation system is unique and has different policies and complexities there are components it has each component shows the different trend and historic difference on all the taxes that are imposed which help in making transformed decision and reforms.

The period that we are evaluating not only showed economic downturns but also different and shift in policy changes which are formed by government. These changes have helped in economic downturns and events. So, understanding the implications beforehand is most important task to form the policy. Federal tax changes have impacted West Virginia more during this period from 2014-2021. This paper finally serves as the understanding to many researchers and students as it provides insights for further studies.

## **Review of literature**

1. Tax policies for income tax, sales tax has been major subject of discussion when it comes to West Virginia. Recent studies have shown that major fluctuations in the tax rates and its impact on economy of West Virginia (Bell et.al., 2018; Smith 2016)
2. Many researchers have done a study on the tax policies and tax collection in West Virginia using the historic data and knowing the trends in the tax implications to identify fluctuations and changes and stability in variety of tax rates (Lucas & Mason 2019, David 2017)
3. Many researchers have found the tax elasticity in West Virginia which computes the elasticity of tax rates that impacts the collection of tax due to changes in economic conditions. Which helps in further study and helps policy makers to understand the impact on tax rates due to economic conditions (Roberts & White 2020, Brown, 2015)
4. Researchers have done study on the behavior of tax payer in West Virginia with compliance with the taxation. This study also helps them to understand the reaction of tax payers when they change the tax policies which is done by using data and statistical tools (Martin & Patel, 2019; Garcia, 2017)

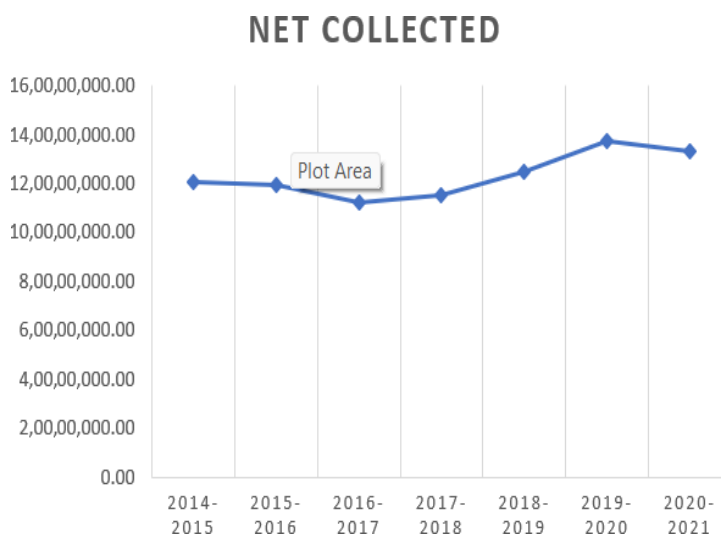
5. Researchers has used many tools and methods to effectiveness in implication of tax rates and deductions that are provided which help in knowing the effect of incentivesand deductions on revenue and development in economy and employment (Anderson& Lee 2020, Carter, 2018)

### Data and interpretation

#### **Business and occupation tax**

is imposed on person engaging in any public service in the state except railroad, pipeline, telephone and telegraph companies and rate of tax that is imposed on this is 6.50%

Business and occupation tax		
year	net collected	% change
2014-2015	12,05,21,715.00	0.32%
2015-2016	11,91,74,498.00	-1.13%
2016-2017	11,18,84,545.00	-6.52%
2017-2018	11,50,03,005.00	2.71%
2018-2019	12,45,22,937.00	8.27%
2019-2020	13,73,46,516.00	10.30%
2020-2021	13.31.28.056.00	-3.10%

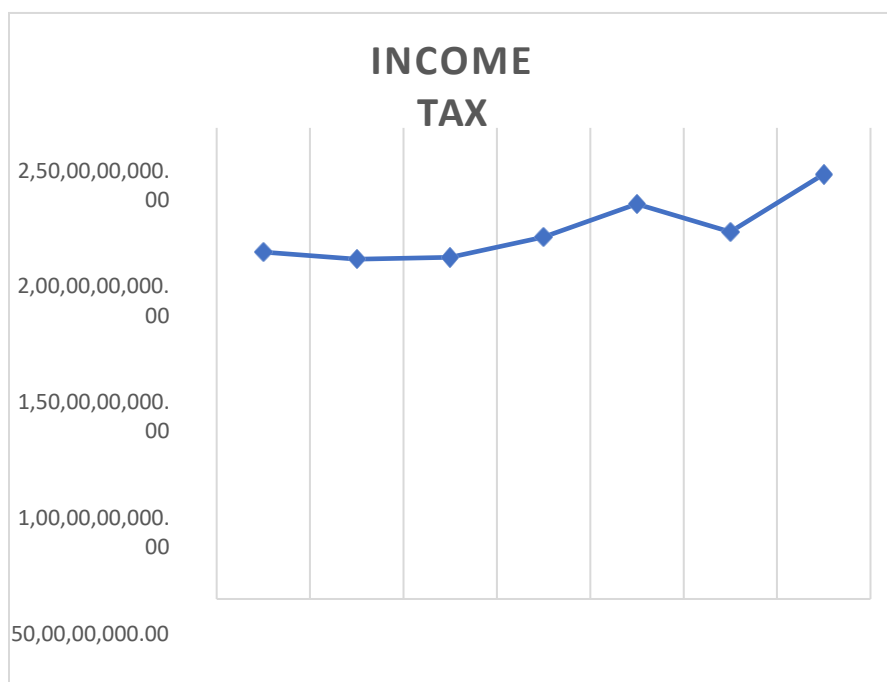


#### **Interpretation**

This data represents the business and occupation tax collected in west Virginia shown from the year 2014 to 2021 where it can be observed that each year there is a fluctuation in the business and occupation tax where there is an increase in collection during the year 2019 by 10.3% and which dropped in 2020 -3.10% due to covid.

**Income tax:** In west Virginia the Income tax rate ranges from at 2.5% on first 10000dollars and 5000 dollars for married filing separate and 3.4 % for income that ranges from ten to twenty-five thousand dollars

income tax		
2014-2015	1,84,00,56,422.00	10.58%
2015-2016	1,80,33,10,886.00	-2.00%
2016-2017	1,81,38,67,003.00	0.59%
2017-2018	1,91,95,70,132.00	5.83%
2018-2019	2,09,68,07,291.00	9.23%
2019-2020	1,94,79,45,588.00	-7.10%
2020-2021	2,25,37,88,399.00	15.70%



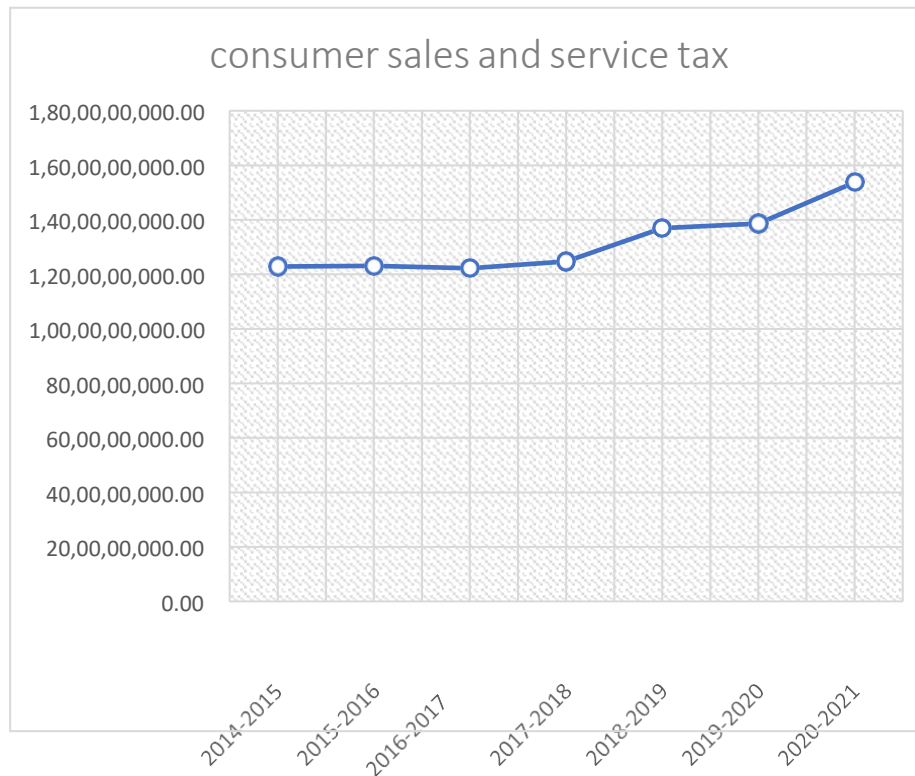
Interpretation:

This data represents the business and occupation tax collected in west Virginia shown from the year 2014 to 2021 where it can be observed that each year there is a fluctuation in the collection of personal income tax which was dropped in the year 2019 by -7.10% and increased in the year 2020-2021 by 15%

## Consumer sales and service tax

The consumer sales and service tax in west Virginia is around 6 % to 7% depending the sale location. This tax is levied on sale of tangible goods and services and this tax is collected by the supplier and paid to the government

consumer sales and service tax		
2014-2015	1,22,82,21,103.00	4.70%
2015-2016	1,23,10,44,200.28	0.23%
2016-2017	1,22,22,82,624.78	-0.71%
2017-2018	1,24,70,30,836.50	2.02%
2018-2019	1,37,01,56,717.47	9.87%
2019-2020	1,38,65,70,806.08	1.20%
2020-2021	1,53,72,44,805.71	10.87%

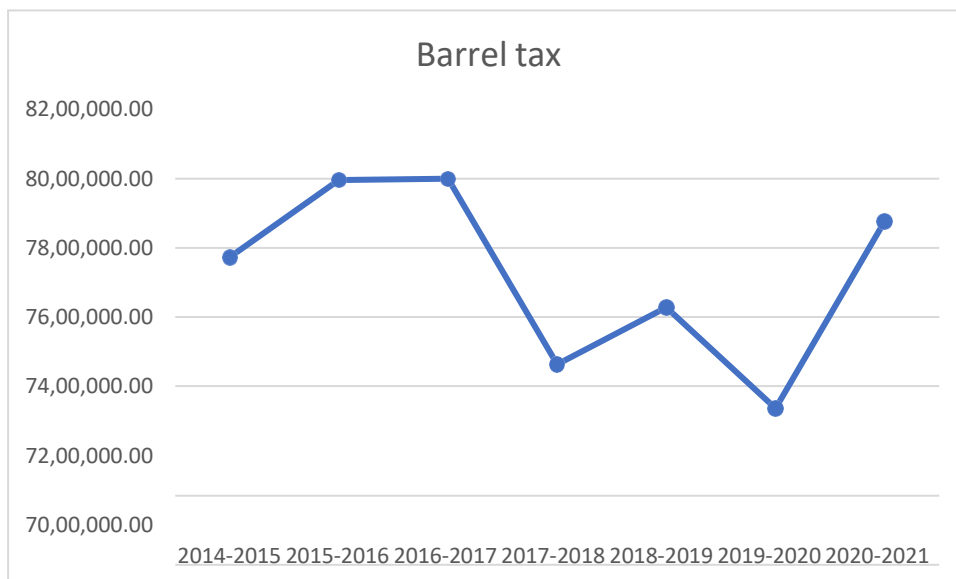


### Interpretation

This data represents the business and occupation tax collected in west Virginia shown from the year 2014 to 2021 where it can be observed that each year there is a fluctuation in the According to the above consumer sales and service tax data and graph it is interpreted that there is a fall in 2019-20 by 1.2% from 9.87% in 2018 which is again increased to 10.87% in 2020-21

**barrel tax** this tax is collected on the manufacturing of beer per gallons which is \$5.50 per 31 gallon barrel and \$0.2 per liter of wine

Barrel tax		
2014-2015	77,73,253.00	-6.36%
2015-2016	79,95,545.00	2.86%
2016-2017	79,99,596.00	0.05%
2017-2018	74,63,136.00	-6.71%
2018-2019	76,27,625.00	2.21%
2019-2020	73,36,077.00	-3.82%
2020-2021	78,77,098.00	7.37%



## Interpretation

This data represents the business and occupation tax collected in west Virginia shown from the year 2014 to 2021 where it can be observed that each year there is a fluctuation in the barrel tax of West Virginia where there is a sharp dip in the year 2019 by -3.8% which is increased to 7.37 during the year 2020-2021.

## **Conclusion**

In this evolving world of taxation West Virginia has showed different dynamics of taxation over the last seven years. This comparison shows the effect and impact of tax policies and economic downturns on revenue generation. Though the historical data we can say the implication of rates on individuals and businesses over the years. So understanding and analyzing the implications and effects is more important to know the effect and make informed decisions on tax reforms or policies

## **References**

1. Kent, C. A. (2011). Ad Valorem taxation of coal property in West Virginia and other states: Part 2. *Journal of Property Tax Assessment & Administration*, 8(1), 59-77.
2. Gray, V., Hanson, R. L., & Kousser, T. (Eds.). (2017). *Politics in the American states: A comparative analysis*. Cq Press.
3. Stephenson, S. L., Kalyanasundaram, I., & Lakhanpal, T. N. (1993). A comparative biogeographical study of myxomycetes in the mid-Appalachians of eastern North America and two regions of India. *Journal of Biogeography*, 645-657.
4. Klein, H. S. (1978). *The middle passage: comparative studies in the Atlantic slave trade* (Vol. 4). Princeton University Press.
5. Kinnaman, T. C. (2011). The economic impact of shale gas extraction: A review of existing studies. *Ecological Economics*, 70(7), 1243-1249.