

H. B. 2271

(By Delegate Cann)

[Introduced January 12, 2011; referred to the Committee on Energy, Industry and Labor, Economic Development and Small Business then Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §11-13H-1 and §11-13H-2, all relating to providing a business and occupation tax credit to electric power generators for use of coal mined in West Virginia by "small mining operations."

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §11-13H-1 and §11-13H-2, all to read as follows: This article is new, needs underscoring!

ARTICLE 13H. BUSINESS AND OCCUPATION TAX CREDIT FOR USE OF DOMESTIC COAL FROM SMALL MINING OPERATIONS BY ELECTRIC POWER GENERATORS.

§11-13H-1. Credit for use of domestic coal from small mining operations by electric power generators.

Notwithstanding any provision in this code to the contrary,

1 beginning January 1, 2012, any corporation generating electricity
2 is allowed a credit against its liability for tax under section two-
3 m, article thirteen of this chapter in the amount of \$3 per ton of
4 coal mined from small mining operations in West Virginia as the
5 term is defined in section two of this article and used by the
6 corporation in the generation of electric power for sale, profit or
7 commercial use. The credit allowed may not exceed the amount of tax
8 liability of the corporation. Any tax credit not usable for the
9 taxable year in which it is earned may be carried over to the extent
10 usable for the next five succeeding taxable years or until the full
11 credit is used, whichever is sooner.

12 **§11-13H-2. "Small mining operations" defined.**

13 For purposes of this article, "small mining operations" means
14 West Virginia mines operated by operators who:

15 (1) Establish that their probable total annual coal production
16 from all locations during any consecutive twelve-month period,
17 either during the term of the existing permit or during the first
18 five years after issuance of the permit, whichever period is
19 shorter, will not exceed 300,000 tons, as determined pursuant to
20 rules promulgated by the division; and

21 (2) Qualify for the small operator assistance program
22 authorized under the federal Surface Mining Control and Reclamation
23 Act of 1977, as amended, and the federal regulations promulgated
24 thereunder, as amended.

NOTE: The purpose of this bill is to provide a business and occupation tax credit to electric power generators for the use of each ton of coal mined in West Virginia by "small mining operations."

This article is new; therefore, it has been completely underscored.