

1 **H. B. 2862**

2  
3 (By Delegates Walters, Nelson, Stowers, Kominar,  
4 Martin, Lane, White, T. Campbell, Hartman,  
5 Reynolds and Cann)

6 [Introduced January 26, 2011; referred to the  
7 Committee on Finance.]

8 **FISCAL  
NOTE**

9  
10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new section, designated §11-13C-17; and to  
12 amend said code by adding thereto a new section, designated  
13 §11-24-9d, all relating to a tax deduction allowed for capital  
14 expenditures from the corporate net income tax.

15 *Be it enacted by the Legislature of West Virginia:*

16 That the Code of West Virginia, 1931, as amended, be amended  
17 by adding thereto a new section, designated §11-13C-17; and that  
18 said code be amended by adding thereto a new section, designated  
19 §11-24-9d, all to read as follows:

20 **ARTICLE 13C. BUSINESS INVESTMENT AND JOBS EXPANSION TAX CREDIT.**

21 **§11-13C-17. Tax deduction for replacing any capital expenditures;**  
22 **definitions; no carryover.**

23 (a) Capital expenditures means funds used by a company to  
24 acquire or upgrade physical assets such as property, industrial  
25 buildings or equipment including, but not limited to, repairing a

1 roof, building a new factory or purchasing new computers.

2 (b) A tax deduction is allowed against the primary tax imposed  
3 by this code equal to the amount of money spent by a business or  
4 small business, as defined in this article, for all capital  
5 expenditures.

6 (c) A business or small business must apply the tax deduction  
7 to the tax year in which the capital expenditure was made.

8 **ARTICLE 24. CORPORATION NET INCOME TAX.**

9 **§11-24-9d. Tax deduction for replacing any capital expenditures;**  
10 **definitions; no carryover.**

11 (a) Capital expenditures means funds used by a company to  
12 acquire or upgrade physical assets such as property, industrial  
13 buildings or equipment including, but not limited to, repairing a  
14 roof, building a new factory or purchasing new computers.

15 (b) A deduction shall be allowed against the primary tax  
16 imposed by this article equal to the amount of money spent by a  
17 corporation for all capital expenditures.

18 (c) A corporation must apply the tax deduction to the tax year  
19 in which the capital expenditure was made.

NOTE: The purpose of this bill is to allow a deduction for all capital expenditures from the corporate net income tax.

These sections are new; therefore, they have been completely underscored.