

# Senate Bill No. 331

(By Senators Prezioso, D. Facemire,  
McCabe, Plymale and Klempa)

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[Introduced January 28, 2011; referred to  
the Committee on Finance.]

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A BILL to amend and reenact §11-24-11b of the Code of West Virginia, 1931, as amended, relating to corporation net income tax; and making a technical correction in the definition of “eligible taxpayer”.

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

That §11-24-11b of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

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

**§11-24-11b. Credit for utility taxpayers with net operating loss carryovers.**

- 1       (a) *General.* — There shall be allowed to every eligible
- 2 taxpayer a nonrefundable credit against its primary tax

3 liability imposed under this article for any net operating loss  
4 carryovers that exist as of ~~the thirty-first day of December,~~  
5 ~~two thousand six~~ December 31, 2006.

6 (b)(1) “Eligible taxpayer” means any person subject to  
7 the business and occupation taxes prescribed by article  
8 thirteen of this chapter and exercising any privilege taxable  
9 under section two-o of ~~this article~~ thirteen of this chapter.

10 (2) “Eligible taxpayer” also includes an affiliated group  
11 of taxpayers if the group elects to file a consolidated corpo-  
12 ration net income tax return under this article if one or more  
13 affiliates included in the affiliated group would qualify as an  
14 eligible taxpayer under subdivision (1) of this subsection.

15 (c) *Amount of credit.* — The amount of credit allowed  
16 shall be equal to one-quarter percent of the eligible tax-  
17 payer’s West Virginia net operating loss carryovers allowed  
18 by subsection (d), section six of this article that exist as of  
19 ~~the thirty-first day of December, two thousand six~~ December  
20 31, 2006.

21 (d) *Application of credit.* — The amount of credit allowed  
22 shall be taken against the tax liabilities of the eligible  
23 taxpayer under this article as shown on its annual return for  
24 the taxable year in which its net operating loss carryovers

25 are utilized, as provided in subsection (d), section six of this  
26 article. Any credit remaining after application against the  
27 eligible taxpayer's tax liabilities for the current year may be  
28 carried forward to subsequent tax years until used.

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(NOTE: The purpose of this bill is to make a technical correction in the definition of "eligible taxpayer" in §11-24-11b, relating to corporation net income tax.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.)