

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 466**

4 (By Senators Browning and Klempa)

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6 [Originating in the Committee on Economic Development;  
7 reported February 6, 2012.]

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11 A BILL to amend the Code of West Virginia, 1931, as amended, by  
12 adding thereto a new article, designated §11-13CC-1, §11-13CC-  
13 2, §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all  
14 relating to coal slurry disposal; providing short title;  
15 providing legislative findings and purpose; defining terms;  
16 establishing a corporate net income tax credit for developing  
17 alternative technologies for disposal of coal slurry;  
18 requiring Tax Commissioner to propose legislative rules; and  
19 providing effective date.

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

21 That the Code of West Virginia, 1931, as amended, be amended  
22 by adding thereto a new article, designated §11-13CC-1, §11-13CC-2,  
23 §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all to read as  
24 follows:

25 **ARTICLE 13CC. CORPORATE NET INCOME TAX CREDIT FOR COAL CLEANING**  
26 **AND PREPARATION FACILITIES.**

1 **§11-13CC-1. Short title.**

2 This article shall be known as the "Alternative Coal Slurry  
3 Disposal Act."

4 **§11-13CC-2. Legislative finding and purpose.**

5 The Legislature finds that production of coal is very  
6 important to the economy of this state, and that a sound economy is  
7 in the public interest and promotes the general welfare of the  
8 people of this state. However, there are concerns regarding the  
9 potential for harmful effects to the public health and the  
10 environment resulting from the generation of and current methods of  
11 disposal of coal slurry, which is a by-product of the coal cleaning  
12 process. In order to encourage capital investment in alternative  
13 technologies which eliminate the generation of coal slurry or  
14 eliminate existing coal slurry disposal sites in this state, there  
15 is established a corporate net income tax credit for investments in  
16 coal mining operations which implement these technologies.

17 **§11-13CC-3. Definitions.**

18 (a) Any term used in this article has the same meaning as when  
19 used in a comparable context in article twenty-four of this  
20 chapter, unless a different meaning is clearly required by the  
21 context of its use or by definition in this article.

22 (b) For purposes of this article, "coal mining operation"  
23 means any operation which is granted or should obtain a permit to  
24 engage in any activity covered by article three, chapter twenty-two  
25 of this code and any rule promulgated under that article and  
26 includes any operation which engages in surface mining operations

1 as defined by article three, chapter twenty-two of this code.

2 **§11-13CC-4. Amount and application of credit.**

3 (a) There is allowed to eligible taxpayers a credit against  
4 the corporate net income tax imposed by article twenty-four of this  
5 chapter, for investment in alternative technologies which reduce  
6 the generation of coal slurry by fifty percent or more of the total  
7 volume generated, eliminate the generation of coal slurry or which  
8 eliminate existing coal slurry disposal sites. The amount of this  
9 credit is determined as provided in subsection (b) of this section.

10 (b) The amount invested under subsection (a) of this section  
11 shall be applied to reduce up to fifty percent of the taxes imposed  
12 by article twenty-four of this chapter for the tax year.

13 **§11-13CC-5. Tax Commissioner to promulgate forms and legislative**  
14 **rule.**

15 The State Tax Commissioner shall propose legislative rules for  
16 legislative approval pursuant to article three, chapter twenty-  
17 nine-a of this code regarding the applicability and method of  
18 claiming of the credit.

19 **§11-13CC-6. Effective date.**

20 The credit is allowed for taxable years beginning on or after  
21 July 1, 2012.

NOTE: The purpose of this bill is to create a tax incentive program for development of alternative technologies for management and disposal of coal slurry.

This article is new; therefore, strike-throughs and underscoring have been omitted.