

1                                   **Senate Bill No. 40**

2                                   (By Senator Klempa)

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4 [Introduced January 11, 2012; referred to the Committee on the

5                   Judiciary; and then to the Committee on Finance.]

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**FISCAL  
NOTE**

10 A BILL to amend the Code of West Virginia, 1931, as amended, by

11         adding thereto a new article, designated §11-13CC-1,

12         §11-13CC-2, §11-13CC-3 and §11-13CC-4, all relating to

13         creating a tax credit for businesses that properly compost

14         trash and unused food rather than use the normal means of

15         dumping trash and unused food into a noncomposting dumpster;

16         providing for eligibility of the credit; providing for the

17         amount of the credit; and authorizing the Tax Commissioner to

18         promulgate legislative rules to administer the tax credit.

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

20         That the Code of West Virginia, 1931, as amended, be amended

21 by adding thereto a new article, designated §11-13CC-1, §11-13CC-2,

22 §11-13CC-3 and §11-13CC-4, all to read as follows:

23 **ARTICLE 13CC. TAX CREDIT FOR COMPOSTING.**

24 **§11-13CC-1. Legislative findings and purpose.**

1           The Legislature finds that the encouragement of businesses to  
2 compost certain types of garbage, landscape waste and food are in  
3 the public interest and promotes a proenvironmental atmosphere in  
4 the State of West Virginia. A tax credit for composting allows  
5 businesses to reduce its environmental impact and provides a green  
6 manner in which to dispose of its waste.

7           The Composting Tax Credit will also give money back to  
8 businesses to reinvest and hire new employees.

9 **§11-13CC-2. Eligibility for tax credit; creation of the credit.**

10           (a) There is allowed to every eligible taxpayer a credit  
11 against the taxes imposed in articles thirteen, twenty-one,  
12 twenty-three, and twenty-four of this chapter. The amount of this  
13 credit is determined and applied as provided in this article.

14           (b) To be eligible for the tax credit under this article a  
15 business must contract with a commercial composting facility, as  
16 defined in section two, article fifteen, chapter twenty-two of this  
17 code to collect its compostable garbage, landscape waste and unused  
18 food separate from traditional garbage for transportation to  
19 compost such waste at such facility.

20 **§11-13CC-3. Amount of tax credit allowed; limit on total amount of**  
21 **credit taken.**

22           The amount of annual credit allowable under this article to an  
23 eligible taxpayer is fifty percent of the cost of contracting with  
24 the commercial composting facility up to a maximum of \$2,000 per

1 year. This tax credit is applied to the tax year in which  
2 composting was done and is not allowed to be carried over to future  
3 tax years.

4 **§11-13CC-4. Promulgation of Rules.**

5       The Tax Commissioner in consultation with the Department of  
6 Environmental Protection shall propose rules for legislative  
7 approval in accordance with article three, chapter twenty-nine-a of  
8 this code to carry out the policy and purposes of this article, to  
9 provide any necessary clarification of the provisions of this  
10 article and to efficiently provide for the general administration  
11 of this article.

NOTE: The purpose of this bill is to provide businesses a tax  
credit up to \$2,000 for composting certain types of garbage,  
landscape waste and food. The bill sets forth eligibility for the  
credit. The bill also grants rule-making authority.

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