

**Senate Bill No. 466**

(By Senators Browning and Klempa)

[Introduced January 31, 2012; referred to the Committee on Economic Development; and then to the Committee on Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §11-13CC-1, §11-13CC-2, §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all relating to coal slurry disposal; and establishing a corporate net income tax credit for developing alternative technologies for disposal of coal slurry.

*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 §11-13CC-1, §11-13CC-2, §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all to read as follows:

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

**§11-13CC-1. Short title.**

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

3 **§11-13CC-2. Legislative finding and purpose.**

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

16 **§11-13CC-3. Definitions.**

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

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

1 includes any operation which engages in surface mining operations  
2 as defined by article three, chapter twenty-two of this code.

3 **§11-13CC-4. Amount and application of credit.**

4 (a) There is allowed to eligible taxpayers a credit against  
5 the corporate net income tax imposed by article twenty-four of this  
6 chapter, for investment in alternative technologies which eliminate  
7 or reduce the generation of coal slurry or which eliminate existing  
8 coal slurry disposal sites. The amount of this credit is  
9 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.