

COMMITTEE SUBSTITUTE

FOR

H. B. 4475

(DELEGATES SKAFF, FERNS, LAWRENCE, REYNOLDS, HALL,
PASDON, CANN, ANDES, VARNER, STOWERS AND POORE)

(Originating in the Committee on Finance)
[February 22, 2012]

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 providing a tax credit for persons who graduate with a bachelor's or graduate degree in the area of science, technology, engineering, mathematics, nursing or teaching from any regionally accredited in-state or out-of-state higher education institution or any regionally accredited in-state community and technical college and who thereafter continue to reside in this state.

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. WEST VIRGINIA RESIDENTIAL INCENTIVE TAX CREDIT ACT.

§11-13CC-1. Short title.

1 This article may be cited as the “West Virginia
2 Residential Incentive Tax Credit Act”.

§11-13CC-2. Legislative findings and purpose.

1 The Legislature finds that it is in the public interest and
2 promotes the general welfare of the people of this state to
3 encourage graduates of post-secondary educational
4 institutions to reside in West Virginia upon graduation.

§11-13CC-3. Definitions.

1 For purposes of this article, the term “eligible taxpayer”
2 means a person who graduates with an associate’s degree, a
3 bachelor’s degree or a graduate degree in the area of science,
4 technology, engineering, mathematics, nursing or teaching

5 from any regionally accredited in-state or out-of-state higher
6 education institution or any regionally accredited in-state
7 community and technical college on or after January 1, 2013
8 and before January 1, 2018, and who thereafter continuously
9 resides in this state from the date of graduation through the
10 next subsequent year.

§11-13CC-4. Amount of credit allowed; application for refund.

1 (a) Credit allowed -- For tax years beginning after
2 December 31, 2012, there is allowed to eligible taxpayers a
3 credit against the taxes imposed by article twenty-one of this
4 chapter. The amount of credit shall be determined as
5 provided in this section.

6 (b) Amount of credit allowable -- The amount of
7 allowable credit under this article is equal to the amount or
8 portion thereof of the paid and otherwise unrefundable taxes
9 imposed by article twenty-one of this chapter upon the
10 eligible taxpayer for the taxable year in which the eligible
11 taxpayer graduated and the next subsequent year, not to
12 exceed \$1,500 per year. In no event may any person receive

13 more than \$3,000 total for any tax credit authorized under
14 this article.

15 (c) Application for refundable tax credit -- Any tax
16 credits accrued under this article for the taxable year of
17 graduation (first year) and for the next subsequent year
18 (second year) shall be applied in the following taxable year
19 (third year) as follows:

20 (1) In the said third year, the eligible taxpayer shall apply
21 for a refund of the allowable tax credits on a form prescribed
22 by the tax commissioner. Any amount of the allowable tax
23 credits for which an application for refund is not filed on or
24 before April 30 of the third year is forfeited.

25 (2) The Tax Commissioner may prescribe the forms and
26 schedules as necessary or appropriate for effective, efficient
27 and lawful administration of this article.

28 (3) The Tax Commissioner may obtain any information
29 as determined by the Tax Commissioner to be useful and
30 necessary for the effective oversight and administration of the
31 credit authorized pursuant to this article from the governing

32 board of any educational institution from which the eligible
33 taxpayer claims to have graduated.

34 (4) No tax credit may be refunded or otherwise paid for
35 any taxes imposed by article twenty-one of this chapter after
36 December 31, 2018.

§11-13CC-5. Tax credit review and accountability.

1 (a) Beginning on August 1, 2015, and August 1 of every
2 year thereafter, the Tax Commissioner shall submit to the
3 Governor, the President of the Senate and the Speaker of the
4 House of Delegates a tax credit review and accountability
5 report evaluating the cost of the credit allowed under this
6 article during the most recent period for which information is
7 available. The criteria to be evaluated includes, but is not
8 limited to, for each year:

- 9 (1) The numbers of taxpayers claiming the credit; and
10 (2) The cost of the credit.

11 (b) Taxpayers claiming the credit shall provide whatever
12 information the Tax Commissioner requires to prepare the
13 report: *Provided*, That the information is subject to the

14 confidentiality and disclosure provisions of sections five-d
15 and five-s, article ten of this chapter. If, in any reporting
16 period under this section, fewer than ten eligible taxpayers
17 have taken or applied for the credit authorized under this
18 article, then no report shall be filed for that reporting period
19 under this section.

§11-13CC-6. Rules.

1 The Tax Commissioner may propose rules for
2 promulgation in accordance with article three, chapter
3 twenty-nine-a of this code to carry out the policy and
4 purposes of this article, to provide any necessary clarification
5 of the provisions of this article and to efficiently provide for
6 the general administration of this article.