

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2576

BY DELEGATE RODIGHIERO

[Introduced January 22, 2019; Referred
to the Committee on Small Business,
Entrepreneurship and Economic Development then
Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-13Q-5a, relating to establishing a tax credit for new businesses that locate
 3 in the state; setting forth how the credit is determined; establishing the conditions that
 4 must be met to qualify for the credit; and defining terms.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13Q. ECONOMIC OPPORTUNITY TAX CREDIT.

§11-13Q-5a. Credit allowed for locating new businesses in this state.

1 (a) Credit allowed. -- A corporation that establishes a new business in this state and
 2 employs, on a full-time basis, in the state, at least 15 people, who are domiciled in this state, is
 3 allowed credit under this article, the amount of which is determined as provided in subsection (b)
 4 of this section. The restrictions set forth in §11-13Q-19(a) of this code do not apply to the credit
 5 for new businesses allowed under this section.

6 (b) Determination of credit. -- The amount of credit allowed by subsection (a) is
 7 determined, at the election of the taxpayer:

8 (1) By multiplying the taxpayer's adjusted qualified investment by its new jobs percentage
 9 (as determined under §11-3Q-9 of this code); or

10 (2) By multiplying the taxpayer's adjusted qualified investment by 10 percent.

11 (c) Notwithstanding any other provision of this article to the contrary:

12 (1) New jobs created in this state by location of a new business may include jobs created
 13 in this state within 12 months before or after the month in which the qualified investment in the
 14 new business location is placed into service or use in this state by:

15 (A) Relocation or transfer of employees of the corporation or employees of a related
 16 corporation or related person from an out-of-state location to the location of a new business in
 17 this state, who: (i) Are or become employees of the corporation within 12 months before or after
 18 the month in which the qualified investment in the new business is placed into service or use in
 19 this state; and (ii) whose regular place of work is in this state; or

20 (B) New employees of the corporation whose regular place of work is in this state.

21 (2) Multiple year projects certified under §11-3Q-6 of this code may be allowed for locating
22 new businesses under this section.

23 (d) Application of credit. -- The credit allowed by this section is applied in the manner
24 prescribed in §11-3Q-7 of this code. However, the amount of corporation net income taxes
25 against which the credit allowed by this section may be applied is the sum of the corporation net
26 income tax due on adjusted federal taxable income allocated to this state under §11-24-7 of this
27 code, plus that portion of the corporation net income tax due on adjusted federal taxable income
28 apportioned to this state under §11-24-7 of this code, that is further apportioned to the qualified
29 investment using the payroll factor provided in §11-3Q-7 of this code or an alternative means of
30 apportionment as prescribed by the commissioner under §11-3Q-7 of this code. For all other
31 purposes, the credit allowed by this section is treated as credit allowed by §11-3Q-4 of this code.

32 (e) Definitions. -- For purposes of this section:

33 (1) "Adjusted qualified investment" means the taxpayer's qualified investment in the new
34 business as determined under §11-3Q-8 of this code and rules of the commissioner.

35 (2) "The corporation" means the new business that locates in the state.

NOTE: The purpose of this bill is to establish a tax credit for new businesses that locate in the state. The bill sets forth how the credit is determined. The bill establishes the conditions that must be met to qualify for the credit. The bill defines terms.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.