

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

House Bill 3333

FISCAL
NOTE

By Delegates Storch, Criss, Hardy, Capito, Kelly,
Barnhart, Riley, Reynolds, Westfall, Willis, and
Fluharty

[Introduced February 08, 2023; Referred to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §11-13MM-1, §11-13MM-2, and §11-13MM-3; all relating to creating a tax
 3 credit for taxes paid for a royalty interest.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13MM. ROYALTY INTEREST AD VALOREM TAX CREDIT

§11-13MM-1. Amount of credit.

1 Any taxpayer who is assessed a tax pursuant to §11-1C-10 of this code for a royalty
 2 interest on or after July 1, 2023, and subsequently pays such a tax, shall be allowed a credit
 3 against the taxes imposed in §11-21-1 et seq. of this code in an amount equal to the tax paid for
 4 the royalty interest.

§11-13MM-2. Restrictions.

1 To receive the Royalty Interest Ad Valorem Tax Credit, the taxpayer must:
 2 (1) Be a legal resident of West Virginia: *Provided*, That this residency requirement does not
 3 apply to corporations.
 4 (2) Have paid the tax for their Royalty Interest.

§11-13MM-3. Carryover credit allowed; Tax Commissioner to promulgate rules.

1 (1) If the amount of the credit exceeds the taxpayer's liability for the taxable year, the
 2 amount which exceeds the tax liability may be carried over and applied as a credit against the tax
 3 liability of the taxpayer pursuant to the provisions of §11-21-1 et seq. of this code to each of the
 4 next taxable years unless sooner used.
 5 (2) The State Tax Commissioner shall promulgate legislative rules pursuant to the
 6 provisions of chapter twenty-nine-a of this code regarding the applicability, method of claiming of
 7 the credit, recapture of the credit and documentation necessary to claim the credit allowed by this
 8 article.

NOTE: The purpose of this bill is to create a tax credit for taxes paid for a royalty interest.

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