WEST virginia legislature

**FISCAL NOTE**

2021 regular session

Introduced

House Bill Number

By Delegate Linville

[Introduced ; Referred
to the Committee on]

A BILL to amend the Code of West Virginia,1931, as amended, by adding thereto a new article, designated §11-13H-1, §11-13H-2, §11-13H-3, §11-13H-4, §11-13H-5, and §11-13H-6, all relating to a tax rebate for investing in new facilities or processes that result in additional employment and an additional demand for electrical power; legislative findings and purpose; eligibility; amount of rebate; length of rebate or credit; and providing rulemaking authority.

Be it enacted by the Legislature of West Virginia:

article 13h. tax incentives for additional employment and electricity use.

§11-13H-1. Legislative findings and purpose.

(a) The Legislature finds that opportunities exist to increase both production and employment opportunities in the state, which will provide manifold advantages and benefits to the state’s overall economy. The Legislature further finds that, to take advantage of these opportunities, businesses and employers will need to increase their use of electricity, but that doing so will further benefit the state’s economy by taking advantage of energy resources and technology at our disposal.

(b) The purpose of this tax rebate is to incentivize businesses and employers to take advantage of those opportunities and to reward their investment in the state while simultaneously supporting those expansion efforts through a tax rebate program.

If a business makes an additional investment which draws electrical power from renewable sources, the business may claim a tax credit, apportioned over 35 years, for the cost of the investment.

§11-13H-2. Establishment of tax rebate for additional employment and electricity use.

There is hereby established a tax rebate for eligible manufacturers and other businesses which invest in new facilities or processes that result in the employment of additional employees and an additional demand for electric power.

§11-13H-3. Eligibility for tax rebate.

To be eligible for the tax rebate established in section two of this article, the business must satisfy the following requirements:

(1) Identify current operations in the state at the facility for which the tax rebate is claimed;

(2) Be in continuous operation at the facility for at least two years prior to making the changes required for eligibility; and

(3) Make an alteration in business practices that results in: (A) The employment of more persons than were previously employed at that facility, and (B) results in the usage of more electricity than was previously used by that facility.

§11-13H-4. Amount of rebate; calculation.

(a) A business that meets the eligibility requirements of section three of this article is eligible to claim a rebate of up to 50 percent of the cost of their additional electrical consumption over their average electrical consumption prior to the investment, based on the most recent two years: *Provided*, That the amount of the rebate shall be no greater than the amount of additional personal income tax owed to the state, prior to any adjustments based on deductions or credits to which an individual taxpayer may otherwise be entitled.

(b) The amount of the tax credit for each year shall be recalculated each year based on the amount of electricity used in that taxable year and may be increased to account for additional employees added to the operation that are attributable to the increased production.

(c) If a business makes an additional investment that results in increased use of electrical power derived from renewable sources, that business is eligible to claim a tax rebate, equivalent to 1/35 of the cost of the investment.

§11-13H-5. Length of rebate or credit.

A business is eligible to claim this tax credit for as long as it continues to satisfy the initial requirements for eligibility, or until the expiration of 10 years, whichever comes first.

§11-13H-6. Rulemaking.

The State Tax Department shall propose legislative rules for promulgation in accordance with §29A-3-1 *et seq*. of this code to administer the provisions of this article.

NOTE: The purpose of this bill is to provide a tax rebate and tax credit for certain employers who invest in new facilities.

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