

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill Number

**FISCAL
NOTE**

BY DELEGATE LINVILLE

[Introduced ; Referred
to the Committee on]

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

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

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

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

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

1 There is hereby established a tax rebate for eligible manufacturers and other businesses
 2 which invest in new facilities or processes that result in the employment of additional employees

3 and an additional demand for electric power.

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

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

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

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

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

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

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

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

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

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

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

§11-13H-6. Rulemaking.

- 1 The State Tax Department shall propose legislative rules for promulgation in accordance
2 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.