WEST virginia legislature

2021 regular session

ENROLLED

Committee Substitute

for

House Bill 2760

By Delegates Capito, Queen, Riley, Mandt, L. Pack, Young, Hott and Maynard

[Passed April 10, 2021; in effect ninety days from passage.]

AN ACT to amend and reenact §11-13Q-9, §11-13Q-10, §11-13Q-10a and §11-13Q-22 of the Code of West Virginia, 1931, as amended, all relating to economic development incentive tax credits; authorizing credit for the creation of 10 jobs under certain circumstances; terminating small business credit after a certain date; eliminating credit to business franchise tax; authorizing certain manufacturing activities to qualify for high technology manufacturing tax credit; providing definitions; limiting certain multiple tax credits for the same qualified investment; eliminating prevailing wage requirement for certain additional credit; providing effective dates.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13Q. ECONOMIC OPPORTUNITY TAX CREDIT.

§11-13Q-9. New jobs percentage.

(a) *In general*. — The new jobs percentage is based on the number of new jobs created in this state directly attributable to the qualified investment of the taxpayer.

(b) *When a job is attributable*. - An employee’s position is directly attributable to the qualified investment if:

(1) The employee’s service is performed or his or her base of operations is at the new or expanded business facility;

(2) The position did not exist prior to the construction, renovation, expansion, or acquisition of the business facility and the making of the qualified investment; and

(3) But for the qualified investment, the position would not have existed.

(c) *Applicable percentage*. –

(1) For the purpose of subsection (a) of this section, the applicable new jobs percentage is determined under the following table:

If number of The applicable

new jobs is at least: percentage is:

20 20%

280 25%

520 30%

(2) *Provided*, That for credit applications filed for taxable years beginning on and after January 1, 2022, for the purpose of subsection (a) of this section, the applicable new jobs percentage is determined under the following table:

If number of The applicable

new jobs is at least: percentage is:

10 10%

20 20%

280 25%

520 30%

(d) *Certification of new jobs*. — With the annual return for the applicable taxes filed for the taxable year in which the qualified investment is first placed in service or use in this state, the taxpayer shall estimate and certify the number of new jobs reasonably projected to be created by it in this state within the period prescribed in subsection (f) of this section that are, or will be, directly attributable to the qualified investment of the taxpayer. For purposes of this section, “applicable taxes” means the taxes imposed by §11-13-1, *et seq.*, §11-21-1, *et seq.*, and §11-24-1, *et seq.* of this code against which this credit is applied.

(e) *Equivalency of permanent employees*. — The hours of part-time employees shall be aggregated to determine the number of equivalent full-time employees for the purpose of this section.

(f) *Redetermination of new jobs percentage*. — With the annual return for the applicable taxes imposed, filed for the third taxable year in which the qualified investment is in service or use, the taxpayer shall certify the actual number of new jobs created by it in this state that are directly attributable to the qualified investment of the taxpayer.

(1) If the actual number of jobs created would result in a higher new jobs percentage, the credit allowed under this article shall be redetermined and amended returns filed for the first and second taxable years that the qualified investment was in service or use in this state.

(2) If the actual number of jobs created would result in a lower new jobs percentage, the credit previously allowed under this article shall be redetermined and amended returns filed for the first and second taxable years. In applying the amount of redetermined credit allowable for the two preceding taxable years, the redetermined credit shall first be applied to the extent it was originally applied in the prior two years to personal income taxes, then to corporation net income taxes, and, lastly, to business and occupation taxes. Any additional taxes due under this chapter shall be remitted with the amended returns filed with the commissioner, along with interest, as provided in §11-10-17 of this code, and a 10-percent penalty determined on the amount of taxes due with the amended return, which may be waived by the commissioner if the taxpayer shows that the overclaimed amount of the new jobs percentage was due to reasonable cause and not due to willful neglect.

(g) *Additional new jobs percentage*. - When the qualified investment is $20 million or more and, if the number of full-time construction laborers and mechanics working at the job site of the new or expanded business facility is 75 or more, or if the number of hours of all construction laborers and mechanics working at the job site is equal to or greater than the number of hours 75 full-time construction laborers and mechanics would have worked at the job site during a 12 consecutive month period, a taxpayer that is allowed a new jobs percentage determined under subsection (a) of this section shall be allowed a new jobs percentage that is five percentage points higher than the new jobs percentage allowed under subsection (a) of this section. In no event may construction laborers and mechanics be used to attain or retain a subsection (a) new jobs percentage. The number of full-time construction laborers and mechanics working at the job site shall be determined by dividing the total number of hours worked by all construction laborers and mechanics on a new or expanded business facility during a 12 consecutive month period by 2,080 hours per year. A taxpayer may not claim the additional new jobs percentage allowed by this section unless the taxpayer includes with the certification filed under subsection (d) of this section a certification signed by the general contractor or the construction manager certifying that construction laborers employed at the job site during a consecutive 12 month period aggregated the equivalent of at least 75 full-time employees and the taxpayer has received from the general contractor or construction manager records substantiating the certification, which records shall be retained by the taxpayer for 13 years after the day the expansion to an existing business facility, or the new business facility, is first placed in service or use by the taxpayer. For purposes of this subsection:

(1) The term “construction laborers and mechanics” means those workers, utilized by a contractor or subcontractor at any tier, whose duties are manual or physical in nature, including those workers who use tools or are performing the work of a trade, as distinguished from mental or managerial and working foremen who devote more than 20 percent of their time during a workweek performing the duties of a laborer or mechanic; and

(2) The term “job site” is limited to the physical place or places where the construction called for in the contract will remain when the work on it is completed and nearby property, as described in subdivision (3) of this subsection, used by the contractor or subcontractor during construction that, because of proximity, can reasonably be included in the “site”.

(3) Except as provided in subdivision (4) of this subsection, fabrication plants, mobile factories, batch plants, borrow pits, job headquarters and tool yards are part of the “job site” provided they are dedicated exclusively, or nearly so, to performance of the contract or project and are located in proximity to the actual construction location so that it would be reasonable to include them.

(4) The term “job site” does not include permanent home offices, branch offices, branch plant establishments, fabrication yards or tool yards of a contractor or subcontractor whose locations and continuance in operation are determined without regard to the contract or subcontract for construction of a new or expanded business facility.

§11-13Q-10. Credit for small business.

(a) *Small business defined*. — For purposes of this section, the term “small business” means a business which has annual gross receipts of not more than $7 million (including the gross receipts of any affiliates in its controlled group)*: Provided,* That beginning January 1, 2004, and on January 1 of each year thereafter, the commissioner shall prescribe an amount that shall apply in lieu of the $7 million amount during that calendar year. This amount is prescribed by increasing the $7 million amount by the cost-of-living adjustment for that calendar year. The requirements for annual gross receipts, once met by a given taxpayer in that taxable year when qualified investment is first placed in service or use, may not again be applied to that same taxpayer in subsequent years to defeat the small business credit to which the taxpayer gained entitlement in that year.

(1) *Cost-of-living adjustment*. — For purposes of subsection (a) of this section, the cost-of-living adjustment for any calendar year is the percentage (if any) by which the consumer price index for the preceding calendar year exceeds the consumer price index for the calendar year 2002.

(2) *Consumer price index for any calendar year*. — For purposes of subdivision (1) of this subsection, the consumer price index for any calendar year is the average of the federal consumer price index as of the close of the 12-month period ending on August 31 of that calendar year.

(3) *Consumer price index*. — For purposes of subdivision (2) of this subsection, the term “Federal Consumer Price Index” means the most recent consumer price index for all urban consumers published by the United States department of labor.

(4) *Rounding*. — If any increase under subdivision (1) of this subsection is not a multiple of $50, the increase shall be rounded to the next lowest multiple of $50.

(b) *Amount of credit allowed*. —

(1) *Credit allowed*. — An eligible small business taxpayer is allowed a credit against the portion of taxes imposed by this state that are attributable to and the direct consequence of the eligible small business taxpayer’s qualified investment in a new or expanded business in this state which results in the creation of at least 10 new jobs within 12 months after placing qualified investment into service. The amount of this credit is determined as provided in subdivision (2) of this subsection.

(2) *Amount of credit*. — The annual amount of credit allowable under this subsection is determined by dividing the amount of the eligible small business taxpayer’s “qualified investment” (determined under §11-13Q-8. of this code) in “property purchased for business expansion” (as defined in §11-13Q-3 of this code) by 10. The amount of qualified investment so apportioned to each year of the 10-year credit period is the annual measure against which a taxpayer’s annual new jobs percentage (determined under subsection (d) of this section) is applied. The product of this calculation establishes the maximum amount of credit allowable each year for 10 consecutive years under this section due to the qualified investment.

(3) *Application of credit*. — The annual credit allowance shall be taken beginning with the taxable year in which the taxpayer places the qualified investment into service or use in this state, unless the taxpayer elects to delay the beginning of the 10-year credit period until the next succeeding taxable year. This election is made in the annual income tax return filed under this chapter by the taxpayer for the taxable year in which the qualified investment is first placed in service or use. Once made, this election cannot be revoked. The annual credit allowance shall be taken and applied in the manner prescribed in §11-13Q-7 of this code.

(c) *New jobs*. — The term “new jobs” has the meaning ascribed to it in §11-13Q-3 of this code.

(1) The term “new employee” has the meaning ascribed to it in §11-13Q-3 of this code: *Provided,* That this term does not include employees filling new jobs who:

(A) Are related individuals, as defined in subsection (i), section 51 of the Internal Revenue Code of 1986, or a person who owns 10 percent or more of the business with such ownership interest to be determined under rules set forth in subsection (b), section 267 of said Internal Revenue Code; or

(B) Worked for the taxpayer during the six-month period ending on the date the taxpayer’s qualified investment is placed in service or use and is rehired by the taxpayer during the six-month period beginning on the date taxpayer’s qualified investment is placed in service or use.

(2) *When a job is attributable*. — An employee’s position is directly attributable to the qualified investment if:

(A) The employee’s service is performed or his or her base of operations is at the new or expanded business facility;

(B) The position did not exist prior to the construction, renovation, expansion, or acquisition of the business facility and the making of the qualified investment; and

(C) But for the qualified investment, the position would not have existed.

(d) *New jobs percentage*. — The annual new jobs percentage is based on the number of new jobs created in this state by the taxpayer directly attributable to taxpayer’s qualified investment.

(1) If at least 10 new jobs are created and filled during the taxable year in which the qualified investment is placed in service or use, the applicable new jobs percentage is 10 percent.

(2) During each of the remaining nine years of the 10-year credit period, the annual new jobs percentage is based on the average number of new jobs filled during that taxable year: *Provided,* That for purposes of estimating the new jobs percentage that will be applicable for each subsequent credit year, the taxpayer shall use the new jobs percentage allowable for the taxable year immediately prior thereto, and in the annual income tax return filed under this chapter for the then current tax year, the taxpayer shall redetermine his or her allowable new jobs percentage for that year based on the average number of new employees employed in new jobs during that year (determined on a monthly basis) created as the direct result of the taxpayer’s qualified investment.

(e) *Certification of new jobs*. — With the annual income tax return filed under this chapter for each taxable year during the 10-year credit period, the taxpayer shall certify:

(1) The new jobs percentage for that taxable year;

(2) The amount of the credit allowance for that year;

(3) If the business is a partnership, limited liability company or electing small business corporation, the amount of credit allocated to the partners, members, or shareholders, as the case may be for that year;

(4) That qualified investment property continue to be used in the business, or if any of it was disposed of during the year the date of disposition and that the property was not disposed of prior to expiration of its useful life, as determined under §11-13Q-8 of this code; and

(5) That the new jobs created by the qualified investment continue to exist and are filled by persons who meet the definition of new employee (as defined in this section).

(f) *Small business project*. — A small business may apply to the commissioner under §11-13Q-6 of this code for certification as a project if that project will create at least 10 new jobs.

(g) *Rules*. — The commissioner may prescribe such rules as he or she determines necessary in order to determine the amount of credit allowed under this section to a taxpayer; to verify a taxpayer’s continued entitlement to claim the credit; and to verify proper application of the credit allowed.

(h) The commissioner may require a taxpayer intending to claim credit under this section to file with the commissioner a notice of intent to claim this credit, before the taxpayer begins reducing his or her monthly or quarterly installment payments of estimated tax for the credit provided in this section.

(i) *Termination of Credit* — No credit is allowable under this section to any taxpayer for investment placed in service or use in any tax year beginning on or after January 1, 2022. Taxpayers that have gained lawful entitlement to the credit allowable under this section pursuant to qualified investment placed in service or use prior to January 1, 2022, shall retain that entitlement and apply the credit in due course pursuant to the requirements and limitations of this article.

§11-13Q-10a. Credit allowed for specified high technology manufacturers.

(a) *High technology manufacturing business defined.* –

For purposes of this section, the term “high technology manufacturing business” means and is limited to only those businesses engaged in a business enumerated in subdivision (1) of this subsection: *Provided,* That for tax years beginning on and after January 1, 2022, the term “high technology manufacturing business” means and is limited to only those businesses engaged in a business enumerated in subdivision (1) or subdivision (2), or both, of this subsection.

(1) “High technology manufacturing business” means a manufacturing activity properly classified as having one or more of the following six-digit North American Industry Classification System code numbers.

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| North American Industry  Classification System Code | Manufacturing Activity |
|  | Computer & Peripheral Equipment |
| 334111 | Electronic Computers |
| 334112 | Computer Storage Devices |
|  | Electronic Components |
| 334411 | Electron Tubes |
| 334414 | Electronic Capacitors |
|  | Semiconductors |
| 334413 | Semiconductor & Related Devices |
| 333295 | Semiconductor Machinery |

(2) “High technology manufacturing business” means, in addition to those activities enumerated in subdivision (1) of this subsection:

(A) The activity of manufacturing drones, target drones, unmanned aircraft or unmanned robotic aircraft,

(B) The activity of manufacturing autonomous motor vehicles,

(C) The activity of manufacturing robots, robotic medical machines or equipment or robotic surgical machines or equipment,

(D) The activity of manufacturing machines, equipment and products predominantly operated by and incorporating artificial intelligence.

(E) The activity of manufacturing biotechnology products.

(F) The activity of manufacturing medical devices.

(3) *Definitions* – For purposes of this section.

(A) *Artificial Intelligence* — For purposes of this section “artificial intelligence” means computers and computer systems that, by design and function, perform tasks that would typically require human intelligence, including decision-making, visual perception, speech recognition, or translation of one human language into another human language.

(B) *Autonomous* — For purposes of this section “autonomous” means that set of characteristics of a machine which taken as a whole cause the machine to be capable of performing designated tasks without immediate direct or explicit human control or intervention beyond initial programming and preliminary set up and initiation.

(C) *Autonomous Motor Vehicle* — For purposes of this section, The term “autonomous motor vehicle” means a motor vehicle that conforms to Level 3, level 4 or level 5 of the Society of Automotive Engineers automation level definitions specified in SAE International Standard J3016.

(D) Biotechnology

(i) “Biotechnology” means scientific invention, processes and methods, or industrial invention, processes and methods, based on the science of biology, microbiology, molecular biology, cellular biology, biochemistry, or biophysics, or any combination thereof. Biotechnology includes, but is not limited to, recombinant DNA techniques, genetics and genetic engineering, cell fusion techniques, and bioprocesses, using living organisms, or parts of organisms.

(ii) Biotechnology does not include farming, agriculture, or animal or apiary husbandry, or the production of any crop or agricultural product by traditional growing processes or by hydroponic growing processes, or fish farming, or the raising or growing or production of fish or any aquatic animal or product.

(iii) Biotechnology does not include zymurgy, wine making, brewing, preparation of yeast used in food production or preparation, or any food or drink preparation or production.

(E) “Biotechnology product” means any virus, therapeutic serum, antibody, protein, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product produced through the application of biotechnology that is used in the prevention, treatment, or cure of diseases or injuries to humans, animals, or plants.

(F) *Drone* – For purposes of this section “drone” means an unmanned aircraft that may be controlled either remotely or by an autonomous system, which may work with internal systemic sensors or ground positioning satellite systems, or both.

(G) “Medical device” means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, that is:

(i) Recognized in the national formulary or any supplement thereof, or the United States pharmacopeia, or any supplement thereof;

(ii) Intended for use in the diagnosis of disease, or in the cure, mitigation, treatment, or prevention of disease or other conditions in human beings or animals; or

(iii) Intended to affect the structure or any function of the body of human beings or animals, and which does not achieve any of its primary intended purposes through chemical action within or on the body of human beings or animals and which is not dependent upon being metabolized for the achievement of any of its principal intended purposes.

(H) *Program* – For purposes of this section “program” means a set of instructions that can be executed by a computer, or other machine or device to perform calculations, processes or operations, or a combination thereof, to execute a specific task or series of tasks.

(I) *Robot* – For purposes of this section “robot” means a programmable machine, for which operating instructions are typically derived from computer programming, which machine is: (i) Capable of performing operations and processes involving physical movement; (ii) designed to operate with a degree of autonomy; (iii) capable of processing data and information, including data or information derived from visual perception or other physical perceptions; and (iv) capable of engaging in intelligent behavior derived from artificial intelligence.

(b) *Amount of credit allowed.*

(1) *Credit allowed.* — An eligible high technology manufacturing business taxpayer is allowed a credit against the portion of taxes imposed by this state that are attributable to and the direct consequence of the eligible high technology manufacturing business taxpayer’s qualified investment in a new or expanded high technology manufacturing business in this state which results in the creation of at least 20 new jobs within 12 months after placing qualified investment into service. The amount of this credit is determined as provided in this section.

(2) *Amount of credit.* — The annual amount of credit allowable under this subsection is 100 percent of the tax attributable to qualified investment, for each consecutive year of a 20-year credit period.

(3) *Application of credit.* — The annual credit allowance shall be taken beginning with the taxable year in which the taxpayer places the qualified investment into service or use in this state, unless the taxpayer elects to delay the beginning of the 20-year credit period until the next succeeding taxable year. This election is made in the annual income tax return filed under this chapter by the taxpayer for the taxable year in which the qualified investment is first placed in service or use. Once made, this election cannot be revoked. The annual credit allowance shall be taken and applied against the taxes enumerated in §11-13Q-7 of this code. The credit shall offset 100 percent of tax attributable to qualified investment and shall be applied for a period of 20 consecutive years without carryover.

(c) *New jobs.* — The term “new jobs” has the meaning ascribed to it in §11-13Q-3 of this code.

(1) The term “new employee” has the meaning ascribed to it in §11-13Q-3 of this code: *Provided,* That this term does not include employees filling new jobs who:

(A) Are related individuals, as defined in subsection (i), section 51 of the Internal Revenue Code of 1986, or a person who owns 10 percent or more of the business with such ownership interest to be determined under rules set forth in subsection (b), section 267 of the Internal Revenue Code of 1986; or

(B) Worked for the taxpayer during the six-month period ending on the date the taxpayer’s qualified investment is placed in service or use and is rehired by the taxpayer during the six-month period beginning on the date taxpayer’s qualified investment is placed in service or use.

(2) *When a job is attributable.* — An employee’s position is directly attributable to the qualified investment if:

(A) The employee’s service is performed or his or her base of operations is at the new or expanded business facility;

(B) The position did not exist prior to the construction, renovation, expansion, or acquisition of the business facility and the making of the qualified investment;

(C) But for the qualified investment, the position would not have existed; and

(D) The median compensation of the new jobs attributable to the qualified investment is greater than $45,000 per year: *Provided,* That this median compensation amount shall be adjusted for inflation each year in accordance with the provisions of this section.

(3) *Median compensation adjusted for inflation.* — The median compensation requirements applicable to high technology manufacturing business taxpayers for purposes of this section, shall be adjusted for inflation by application of a cost-of-living adjustment. The adjusted median compensation amount shall be applicable, as adjusted, each year throughout the 20-year credit period. Failure of a taxpayer entitled to credit under this section to meet the median compensation requirement for any year will result in forfeiture of the credit for that year. However, if in any succeeding year within the original 20 year credit period, the taxpayer pays a median compensation to its employees which exceeds the inflation adjusted median compensation amount for that year, the taxpayer shall regain entitlement to take the credit for that year only. No credit forfeited in a prior year shall be taken, and the tax year or years to which the forfeited credit would have been applied shall be forfeited and deducted from the remainder of the years over which the credit can be taken.

(A) *Cost-of-living adjustment.* — For purposes of this section, the cost-of-living adjustment for any calendar year is the percentage, if any, by which the consumer price index for the preceding calendar year exceeds the consumer price index for the calendar year 2007.

(B) *Consumer price index for any calendar year.* — For purposes of this section, the consumer price index for any calendar year is the average of the federal consumer price index as of the close of the 12-month period ending on August 31 of such calendar year.

(C) *Consumer price index*. — For purposes of this section, the term “Federal Consumer Price Index” means the last consumer price index for all urban consumers published by the United States Department of Labor.

(D) *Rounding.* — If any increase in the median compensation amount under this section is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

(d) *Credit exclusion.* —

(1) Any taxpayer that has taken the credit against tax authorized under this section shall not be eligible for application of the credit allowed under any other section of this article during the twenty year credit period authorized by this section for the same qualified investment on which credit allowed by this article was taken.

(2) Any taxpayer that has taken the credit against tax authorized under this section may not take the credit authorized under any other provision of this code for the same qualified investment on which credit allowed by this article was taken.

(e) *Rules.* — The commissioner may prescribe such rules as he or she determines necessary in order to determine the amount of credit allowed under this section to a taxpayer; to verify a taxpayer’s continued entitlement to claim the credit; and to verify proper application of the credit allowed.

(f) *Notices and reports.* — The commissioner may require a taxpayer intending to claim credit under this section to file with the commissioner a notice of intent to claim this credit before the taxpayer begins reducing his or her monthly or quarterly installment payments of estimated tax for the credit provided in this section.

**§11-13Q-22. Credit available for taxpayers which do not satisfy the new jobs percentage requirement.**

(a) Notwithstanding any provision of this article to the contrary, a taxpayer engaged in one or more of the industries or business activities specified in §11-13Q-19 of this code which does not satisfy the new jobs percentage requirement prescribed in §11-13Q-9(c) of this code but which otherwise fulfills the requirements prescribed in this article, is permitted to claim a credit against the taxes specified in §11-13Q-7 of this code in the order so specified that are attributable to and the consequence of the taxpayer’s business operations in this state which result in the creation of net new jobs. Credit under this section is allowed in the amount of $3,000 per year, per new job created and filled by a new employee, as those terms are defined in §11-13Q-3 of this code for a period of five consecutive years beginning in the tax year when the new employee is first hired. In no case may the number of new employees determined for purposes of this section exceed the total net increase in the taxpayer’s employment in this state. Credit allowed under this section shall be allowed beginning in the tax year when the new employee is first hired: *Provided,* That each new job:

(1) Pays at least $32,000 annually. Beginning January 1, 2010, and on January 1 of each year thereafter, the commissioner shall prescribe an amount that shall apply in lieu of the $32,000 amount during that calendar year. This amount is prescribed by increasing the $32,000 figure by the cost-of-living adjustment for that calendar year;

(2) Provides health insurance and may offer benefits including child care, retirement or other benefits; and

(3) Is a full-time, permanent position, as those terms are defined in section three of this article.

(b) Jobs that pay less than $32,000 annually, or less than the amount prescribed by the commissioner pursuant to subdivision (1) of subsection (a) of this section, whichever is higher, or that pay that salary but do not also provide benefits in addition to the salary do not qualify for the credit authorized by this section. Jobs that are less than full-time, permanent positions do not qualify for the credit authorized by this section.

The employer having obtained entitlement to the credit shall not be required to raise wages of employees currently employed in jobs upon which the initial credit was based by reason of the cost-of-living adjustment.

(c) For purposes of this section, the following definitions apply:

(1) *Cost-of-living adjustment*. — For purposes of subsection (a) of this section, the cost-of-living adjustment for any calendar year is the percentage (if any) by which the consumer price index for the preceding calendar year exceeds the consumer price index for the calendar year 2009.

(2) *Consumer price index for any calendar year*. — For purposes of subdivision (1) subsection (a) of this section, the consumer price index for any calendar year is the average of the federal consumer price index as of the close of the twelve-month period ending on August 31 of that calendar year.

(3) *Consumer price index*. — For purposes of subdivision (2) of this subsection, the term “federal consumer price index” means the most recent consumer price index for all urban consumers published by the United States Department of Labor.

(4) *Rounding*. — If any increase under subdivision (1) of this subsection is not a multiple of $50, the increase shall be rounded to the next lowest multiple of $50.

(d) Unused credit remaining in any tax year after application against the taxes specified in section seven of this article is forfeited and does not carry forward to any succeeding tax year and does not carry back to a prior tax year.

(e) The tax credit authorized by this section may be taken in addition to any credits allowable under §11-13C-1 *et seq.,* §11-13D-1 *et seq.,* §11-13E-1 *et seq.,* §11-13F-1 *et seq.*, §11-13G-1 *et seq.*, §11-13J-1 *et seq.,* §11-13R-1 *et seq.,* or §11-13S-1 *et seq.* of this code. However, any taxpayer that is taking, or that has taken, any credit against tax authorized under this article may not take the credit authorized under any other provision of this code for the same qualified investment on which credit allowed by this article was taken.

(f) *Reduction in number of employees credit forfeiture. —* If, during the year when a new job was created for which credit was granted under this section or during any of the next succeeding four tax years thereafter, net jobs that are attributable to and the consequence of the taxpayer’s business operations in this state decrease, counting both new jobs for which credit was granted under this section and preexisting jobs, then the total amount of credit to which the taxpayer is entitled under this section shall be decreased and forfeited in the amount of $3,000 for each net job loss.

(g) Amendments to this section enacted during the 2021 regular session of the Legislature shall be effective for tax years beginning on or after January 1, 2022.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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*Chairman, House Committee*

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*Chairman, Senate Committee*

Originating in the House.

In effect ninety days from passage.

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*Clerk of the House of Delegates*

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*Clerk of the Senate*

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*Speaker of the House of Delegates*

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*President of the Senate*

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day of ..........................................................................................................., 2021.

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*Governor*