

# **WEST VIRGINIA LEGISLATURE**

## **2021 REGULAR SESSION**

**Introduced**

### **House Bill 2637**

BY DELEGATE SKAFF

[Introduced February 22, 2021; Referred to the  
Committee on Education then Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article  
 2 and six sections designated §11-13EE-1, §11-13EE-2, §11-13EE-3, §11-13EE-4, §11-  
 3 13EE-5, and §11-13EE-6, all relating to creating a residential tax credit for graduates with  
 4 an associate’s degree, bachelor’s degree, or graduate degree; providing for a short title;  
 5 providing for definitions; establishing the amount of credit allowed; establishing conditions  
 6 for the credit to take effect; providing for an application to receive the credit; providing for  
 7 a report to regarding the credit and its costs to the Governor, the President of the Senate,  
 8 and Speaker of the House; and providing rulemaking authority to the Tax Commissioner.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 13EE. WEST VIRGINIA RESIDENTIAL INCENTIVE TAX CREDIT ACT.**

**§11-13EE-1. Short title.**

1 This article may be cited as the “West Virginia Residential Incentive Tax Credit Act.”

**§11-13EE-2. Legislative findings and purpose.**

1 The Legislature finds that it is in the public interest and promotes the general welfare of  
 2 the people of this state to encourage graduates of post-secondary educational institutions to  
 3 reside in West Virginia upon graduation.

**§11-13EE-3. Definitions.**

1 For purposes of this article, the term “eligible taxpayer” means a person who graduates  
 2 with an associate’s degree, a bachelor’s degree, or a graduate degree in the area of science,  
 3 technology, engineering, mathematics, nursing, or teaching from any regionally accredited in-  
 4 state or higher education institution or any regionally accredited in-state community and technical  
 5 college on or after January 1, 2021, and before January 1, 2026, and who thereafter continuously  
 6 resides in this state from the date of graduation through the next subsequent year.

**§11-13EE-4. Amount of credit allowed; application for refund.**

1 (a) Credit allowed. – For tax years beginning after December 31, 2020, there is allowed to  
 2 eligible taxpayers a credit against the taxes imposed by §11-21-1 et seq. of this code. The amount

3 of credit shall be determined as provided in this section.

4 (b) Amount of credit allowable. – The amount of allowable credit under this article is equal  
5 to the amount or portion thereof of the paid and otherwise unrefundable taxes imposed by §11-  
6 21-1 et seq. of this code upon the eligible taxpayer for the taxable year in which the eligible  
7 taxpayer graduated and the next subsequent year, not to exceed \$1,500 per year. In no event  
8 may a person receive more than \$3,000 total for any tax credit authorized under this article.

9 (c) Application for refundable tax credit. – Any tax credits accrued under this article for the  
10 taxable year of graduation (first year) and for the next subsequent year (second year) shall be  
11 applied in the following taxable year (third year) as follows:

12 (1) In the third year, the eligible taxpayer shall apply for a refund of the allowable tax credits  
13 on a form prescribed by the Tax Commissioner. Any amount of the allowable tax credits for which  
14 an application for refund is not filed on or before April 30 of the third year is forfeited.

15 (2) The Tax Commissioner may prescribe the forms and schedules as necessary or  
16 appropriate for effective, efficient, and lawful administration of this article.

17 (3) The Tax Commissioner may obtain any information as determined by the Tax  
18 Commissioner to be useful and necessary for the effective oversight and administration of the  
19 credit authorized pursuant to this article from the governing board of any educational institution  
20 from which the eligible taxpayer claims to have graduated.

21 (4) No tax credit may be refunded or otherwise paid for any taxes imposed by §11-21-1 et  
22 seq. of this code after December 31, 2026.

**§11-13EE-5. Tax credit review and accountability.**

1 (a) Beginning on August 1, 2021, and August 1 of every year thereafter, the Tax  
2 Commissioner shall submit to the Governor, the President of the Senate, and the Speaker of the  
3 House of Delegates a tax credit review and accountability report evaluating the cost of the credit  
4 allowed under this article during the most recent period for which information is available. The  
5 criteria to be evaluated includes, but is not limited to, for each year:

- 6           (1) The number of taxpayers claiming the credit; and  
7           (2) The cost of the credit.  
8           (b) Eligible taxpayers claiming the credit shall provide whatever information the Tax  
9 Commissioner requires to prepare the report: *Provided*, That the information is subject to the  
10 confidentiality and disclosure provisions of §11-10-5d and §11-10-5s of this code. If, in any  
11 reporting period under this section, fewer than 10 eligible taxpayers have taken or applied for the  
12 credit authorized under this article, then no report shall be filed for that reporting period under this  
13 section.

**§11-13EE-6. Rules.**

- 1           The Tax Commissioner may propose rules for legislative approval in accordance with  
2 §29A-3-1 *et seq.* of this code to carry out the policy and purposes of this article, to provide any  
3 necessary clarification of the provisions of this article and to efficiently provide for the general  
4 administration of this article.

NOTE: The purpose of this bill is to provide a tax credit for persons who graduate with an associate's, bachelor's, or graduate degree in the area of science, technology, engineering, mathematics, nursing, or teaching from any regionally accredited in-state or out-of-state higher education institution or any regionally accredited in-state community and technical college and who thereafter continue to reside in this state.

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