WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Introduced

House Bill 4093

By Delegate Keaton

[Introduced January 14, 2022; Referred to the Committee on Small Business, Entrepreneurship and Economic Development then Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §11-5A-1, §11-5A-2, and §11-5A-3, all relating to business personal property tax, allowing a tax to be assessed at salvage value for business located in economically distressed areas.

Be it enacted by the Legislature of West Virginia:

ARTICLE 5A. APPALACHIAN ECONOMIC PROPESRITY ACT.

§11-5A-1. Legislative Findings.

The Legislature hereby finds that the economic development of the state’s economically distressed counties is in the public interest and promotes the general welfare of the people of this state insofar as it addresses serious concerns for our state’s overall economic wellbeing by promoting economic opportunity to our strained areas. The Legislature further finds that by encouraging economic development of these areas will aid in the overall economic prosperity of the state.

§11-5A-2. Personal property tax valuation for distressed businesses.

(a) Definitions-

“Distressed business” shall mean a business located and performing daily operations in a distressed Appalachian county as identified by the Appalachian Regional Commission.

(b) Beginning January 1, 2022, any businesses located and operating in a county identified as distressed by the Appalachian Regional Commission shall be determined to be distressed businesses and shall be taxed the salvage value for all business personal property for the next five years. At the conclusion of those five years, the business’s personal property shall continue to be taxed the salvage rate if the county in which the business is located and operating is still identified as a distressed county by the Appalachian Regional Commission.

§11-5A-3. Commissioner to promulgate rules and forms.

(a) The Tax Commissioner shall design and provide to the public simplified forms and schedules to implement and effectuate the provisions of this article.

(b) The Tax Commissioner shall promulgate new rules for the administration of this article consistent with its provisions and in accordance with §29A-3-1 *et seq.* of this code as the commissioner deems necessary after the effective date of the amendments to this article. Such rules shall include rules relating to the necessary documentation required to be filed in order to take the tax credits allowed in this article. The commissioner shall also promulgate emergency rules as necessary for immediate effectuation of this article.

(c) Within one year prior to the expiration of the credit established in this article, the State Tax Commissioner shall provide a written report to the Legislature setting forth the utilization of the credit, the benefit of the credit and the overall cost of the credit.

NOTE: The purpose of this bill is to provide a salvage tax rate to businesses operating in economically distressed counties.

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