

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **House Bill 3218**

By Delegates T. Howell, G. Howell, Mazzocchi,  
Jennings, Drennan, Pritt, Petitto, Dittman, Kyle, Clay,  
and Holstein

[Introduced March 07, 2025; referred to the  
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,  
 2 designated §11-29-1, §11-29-2, §11-29-3, §11-29-4, §11-29-5, §11-29-6, and §11-29-7  
 3 relating to the creation of the West Virginia Economic Development and Property  
 4 Revitalization Tax Credit Act of 2025.

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

**ARTICLE 29. WEST VIRGINIA ECONOMIC DEVELOPMENT AND PROPERTY**

**REVITALIZATION TAX CREDIT ACT OF 2025.**

**§11-29-1. Short Title.**

1 This act shall be known and cited as the "West Virginia Economic Development and  
 2 Property Revitalization Tax Credit Act of 2025."

**§11-29-2. Legislative Findings and Purpose.**

1 (a) The West Virginia Legislature finds that:

2 (1) Many commercial, industrial, and residential properties across the state remain vacant,  
 3 underutilized, or deteriorating, which negatively impacts local economies and property values.

4 (2) Encouraging private sector investment through tax incentives will spur economic  
 5 development, create job opportunities, and enhance infrastructure without direct government  
 6 spending.

7 (3) Offering targeted tax incentives will help attract businesses, developers, and  
 8 landowners to invest in West Virginia, stimulating long-term economic growth.

9 (b) The purpose of this Act is to:

10 (1) Provide tax incentives for businesses and property owners investing in property  
 11 rehabilitation and economic development projects.

12 (2) Encourage job creation and business expansion in West Virginia.

13 (3) Reduce economic blight and improve property values without burdening state finances.

**§11-29-3. Economic Development and Property Revitalization Tax Credit.**

1 (a) Eligibility Criteria:

2 (1) A business entity, developer, or landholding company shall qualify for the West Virginia  
3 Economic Development and Property Revitalization Tax Credit if they:

4 (A) Invest at least \$250,000 in the renovation, restoration, or redevelopment of a  
5 commercial, industrial, or mixed-use property in the state.

6 (B) Increase property value by at least 30% through investment.

7 (C) Create or sustain at least five (5) full-time jobs within three years of project completion.

8 (D) Maintain the rehabilitated or newly developed property in active commercial or  
9 industrial use for at least five (5) years post-development.

10 (b) Tax Credit Structure:

11 (1) Qualified applicants may claim a state business and occupation (B&O) tax credit or a  
12 corporate income tax credit equal to 25% of eligible investment costs, up to a maximum of \$2  
13 million per project.

14 (2) Property owners may claim a property tax credit equal to 50% of the increase in  
15 assessed property value due to redevelopment, applied annually for up to five years.

16 (3) Tax credits may be carried forward for up to five (5) years but are non-transferable and  
17 cannot be refunded.

**§11-29-4. Additional Tax Incentives for Rural and Underserved Areas.**

1 (a) To encourage development in rural and economically distressed areas, businesses  
2 investing in counties that meet at least one of the following criteria shall receive an additional 10%  
3 tax credit:

4 (1) A population of fewer than 50,000 residents.

5 (2) An unemployment rate above the state average for the past two years.

6 (3) A designation as a "Distressed Economic Zone" by the West Virginia Economic  
7 Development Authority (WVEDA).

8 (b) Brownfield and Historic Property Bonus.

9           (1) Projects that rehabilitate brownfield sites (previously contaminated or abandoned  
10 industrial properties) shall receive an additional 5% tax credit.

11           (2) Projects involving registered historic properties shall receive an additional 5% tax credit  
12 if renovations are conducted according to state and federal historic preservation guidelines.

**§11-29-5. Regulatory Streamlining and Expedited Permitting.**

1           The West Virginia Development Office shall establish a fast-track permitting process for  
2 qualifying projects under this Act, ensuring:

3           (1) Priority processing of permits, licenses, and inspections within 90 days.

4           (2) Coordination with local governments to simplify zoning and development approvals.

5           (3) Clear guidance on permitting requirements and deadlines for developers and property  
6 owners.

**§11-29-6. Compliance and Reporting Requirements.**

1           (a) Businesses and property owners claiming tax credits must file an annual compliance  
2 report with the West Virginia Tax Division and WVEDA, including:

3           (1) Total investment amount and project completion status.

4           (2) Number of jobs created or retained as a direct result of the project.

5           (3) Documentation of property valuation increases and active business use.

6           (b) Penalty for Non-Compliance

7           (1) If a business fails to meet the job creation, property improvement, or operational  
8 requirements within the required timeframe, the tax credits shall be revoked.

9           (2) Any improperly claimed credits shall be recaptured by the state through tax  
10 adjustments.

**§11-29-7. Fiscal Impact and State Budget Neutrality**

1           (a) This Act shall be budget-neutral, relying solely on tax incentives rather than direct state  
2 funding.

3           (b) The tax credits shall be capped at \$50 million per fiscal year, ensuring fiscal

4 responsibility while maximizing economic development impact.

NOTE: The purpose of this bill is to provide for the creation of the West Virginia Economic Development and Property Revitalization Tax Credit Act of 2025.

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