

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 639

By Senator Willis

[Reported March 14, 2025, from the Committee on
Economic Development]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
2 designated §11-13NN-1, relating to taxes; providing a title; providing findings and purpose;
3 providing definitions; creating a tax credit against personal income tax or corporation net
4 income tax; establishing gross receipts threshold requirements for tax credit; tying dollar
5 figures to inflation; and providing for July 1, 2025, effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13NN. SMALL BUSINESS APPRECIATION AND ACKNOWLEDGEMENT
ACT.

§11-13NN-1. Small business tax credit.

1 (a) This article shall be known as the West Virginia Small Business Appreciation and
2 Acknowledgement Act.

3 (b) The Legislature finds that the encouragement of economic growth and development in
4 this state is in the public interest and promotes the general welfare of the people of this state. In
5 order to encourage capital investment in business and industry in this state and thereby increase
6 economic development, there is hereby provided certain tax credits.

7 (c) For purposes of this article, the term "small business" means a business which has
8 annual gross receipts of less than \$2,500,000, including the gross receipts of any affiliates in its
9 controlled group.

10 (d) The amount of credit allowed pursuant to this article is \$2,000 to an eligible small
11 business taxpayer as compensation for the time small business owners must spend to comply with
12 state law, including collecting taxes on behalf of the state from employees, and complying with
13 required state regulations: *Provided*, That if a small business taxpayer has annual gross receipts
14 of less than \$600,000, the credit shall be reduced to \$500: *Provided, however*, That if a small
15 business taxpayer has gross receipts of less than \$50,000 there shall be no credit: *Provided*
16 further, That the credits provided for in this subsection shall be non-refundable tax credits.

- 17 (e) The credit provided for in this article shall be against the tax imposed under §11-21-1 *et*
18 *seq.* of this code, or against the tax imposed under §11-21-1 *et seq.* of this code, as applicable.
- 19 (f) All dollar figures pursuant to this article are directly tied to the current rate of inflation.
- 20 (g) This article shall take effect July 1, 2025.