

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5389

FISCAL
NOTE

By Delegates G. Howell, Clay, Pritt, Cooper, Worrell,
Sheedy, Butler, Hillenbrand, Masters, Linville, and
Stephens

[Introduced February 10, 2026; 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 §11-13NN-1, §11-13NN-2, §11-13NN-3, §11-13NN-4, §11-13NN-5, §11-13NN-
 3 6, §11-13NN-7, §11-13NN-8, and §11-13NN-9, relating to the creation of a transferable tax
 4 credit for the redevelopment of existing buildings into housing for homeless veterans;
 5 providing a short title; providing legislative findings and purpose; providing definitions;
 6 creating a tax credit; authorizing transferability; clarifying eligibility requirements;
 7 establishing application and certification procedures; authorizing recapture; providing
 8 rulemaking; and establishing an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13NN. VETERANS HOUSING REDEVELOPMENT TAX CREDIT ACT.

§11-13NN-1. Short title.

1 This article shall be known and may be cited as the "Veterans Housing Redevelopment Tax
 2 Credit Act".

§11-13NN-2. Legislative findings and purpose.

- 1 (a) The Legislature finds that:
- 2 (1) Veterans experiencing homelessness face unique barriers related to health care
 3 access, employment, and reintegration into civilian life;
- 4 (2) The adaptive reuse of existing hotels, motels, and underutilized commercial properties
 5 provides a cost-effective and timely solution to create supportive housing;
- 6 (3) Nonprofit organizations frequently lack tax liability sufficient to utilize traditional tax
 7 incentives;
- 8 (4) Transferable tax credits allow private sector participation without the expenditure of
 9 public funds; and
- 10 (5) Redeveloping underutilized properties improves public safety, strengthens
 11 communities, and promotes economic development.

12 (b) The purpose of this article is to incentivize the redevelopment of existing structures into
 13 permanent or transitional housing for homeless veterans through a transferable tax credit, without
 14 creating a new entitlement or ongoing state operating obligation.

§11-13NN-3. Definitions.

1 For purposes of this article:

2 "Authority" means the West Virginia Department of Revenue.

3 "Certified project" means a veterans housing redevelopment project approved pursuant to
 4 this article.

5 "Eligible nonprofit organization" means a nonprofit entity exempt from federal income
 6 taxation under Section 501(c)(3) of the Internal Revenue Code that provides housing and
 7 supportive services to veterans.

8 "Homeless veteran" means an individual who served in the Armed Forces of the United
 9 States and meets the definition of homelessness under applicable federal or state standards.

10 "Qualified redevelopment costs" means costs directly attributable to the acquisition,
 11 rehabilitation, renovation, or conversion of an existing structure for use as veterans housing,
 12 including construction, engineering, environmental remediation, and infrastructure improvements,
 13 but excluding land acquisition costs unrelated to the existing structure.

14 "Transferable tax credit" means a credit that may be sold, assigned, or otherwise
 15 transferred to another taxpayer pursuant to this article.

16 "Veterans housing" means permanent or transitional residential housing reserved primarily
 17 for homeless veterans and coupled with access to supportive services.

§11-13NN-4. Veterans housing redevelopment tax credit.

1 (a) A transferable tax credit is hereby created for eligible nonprofit organizations that
 2 undertake a certified project.

3 (b) The amount of the credit shall equal 30 percent of qualified redevelopment costs, as
 4 certified by the authority.

5 (c) The credit may be applied against the following taxes imposed under this code:

6 (1) Corporation net income tax;

7 (2) Personal income tax;

8 (3) Business franchise or replacement taxes; or

9 (4) Any other tax administered by the Department of Revenue, except severance taxes.

10 (d) Any unused credit may be carried forward for up to 10 taxable years.

§11-13NN-5. Transferability.

1 (a) The credit authorized under this article is fully transferable.

2 (b) An eligible nonprofit organization may sell, assign, or otherwise transfer all or a portion
3 of the credit to one or more taxpayers.

4 (c) The authority shall promulgate rules governing the registration, documentation, and
5 tracking of transferred credits.

6 (d) No credit may be transferred more than once unless expressly authorized by rule.

§11-13NN-6. Project eligibility requirements.

1 To qualify as a certified project, a redevelopment must:

2 (1) Involve the conversion or rehabilitation of an existing hotel, motel, or commercial
3 building;

4 (2) Create residential units reserved primarily for homeless veterans; and

5 (3) Provide, either directly or through partnership agreements, access to supportive
6 services including, at a minimum:

7 (A) Case management;

8 (B) Assistance with veterans benefits;

9 (C) Employment or workforce placement support;

10 (D) Behavioral health or substance use treatment referrals;

11 (E) Give priority consideration to veterans domiciled in West Virginia; and

12 (F) Remain in service as veterans housing for a minimum of 15 years.

§11-13NN-7. Application and certification.

1 (a) An eligible nonprofit organization shall apply to the authority in a form prescribed by
2 rule.

3 (b) The application shall include:

4 (1) A project description;

5 (2) Estimated qualified redevelopment costs;

6 (3) A service delivery plan;

7 (4) Evidence of site control; and

8 (5) Any additional information required by rule.

9 (c) Upon approval, the authority shall issue a written certification of the project and the
10 maximum allowable credit.

§11-13NN-8. Recapture and rulemaking.

1 (a) If a certified project ceases to be used as veterans housing prior to the expiration of the
2 15-year compliance period, a proportional amount of the credit shall be subject to recapture.

3 (b) The authority shall propose rules for legislative approval in accordance with the
4 provisions of §29A-3-1 et seq. to implement the provisions of this article.

11-13NN-9. Effective date.

1 This article shall take effect July 1, 2026.

NOTE: The purpose of this bill is to incentivize the redevelopment of existing structures into permanent or transitional housing for homeless veterans through a transferable tax credit, without creating a new entitlement or ongoing state operating obligation.

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