

# WEST VIRGINIA LEGISLATURE

## 2026 REGULAR SESSION

Introduced

### Senate Bill 939

FISCAL  
NOTE

By Senator Jeffries

[Introduced February 13, 2026; referred  
to the Committee on Economic Development; and  
then 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, §11-13NN-9, §11-13NN-10, §11-13NN-11, §11-13NN-12,  
 4 §11-13NN-13, and §11-13NN-14, relating to taxation; providing legislative findings;  
 5 creating a reshoring tax credit; defining terms; providing for the amount of the credit;  
 6 establishing limitations; providing eligibility and certification requirements; providing for  
 7 application, use, forfeiture, and accountability of the credit; prohibiting carryforward and  
 8 carryback; providing for a renewable reshoring credit; providing for expiration; eliminating  
 9 new credits after sunset; preserving credits earned prior to sunset; and providing an  
 10 effective date.

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

**ARTICLE 13NN. WEST VIRGINIA RESHORING MANUFACTURING ACT.**

**§11-13NN-1. Short title.**

1 This article may be cited as the "West Virginia Reshoring Manufacturing Act."

**§11-13NN-2. Legislative purpose, findings and intent.**

1 (a) Purpose. — The purpose of this article is to encourage West Virginia businesses to  
 2 replace foreign-manufactured goods with goods manufactured in West Virginia through  
 3 performance-based, time-limited tax incentives that support sustained in-state production,  
 4 workforce expansion, and long-term economic growth.

5 (b) Findings. — The Legislature finds that:

6 (1) According to United States Census Bureau foreign trade statistics, businesses  
 7 operating in West Virginia imported approximately \$4.8 billion in foreign manufactured goods  
 8 during calendar year 2024;

9 (2) The \$4.8 billion figure reflects only goods formally recorded as imports and does not  
 10 include foreign-manufactured products purchased by West Virginia businesses through domestic  
 11 distributors, wholesalers, resellers, or other domestic supply channels;

12 (3) Continued reliance on imported goods exports economic value, employment  
13 opportunity, industrial capacity, and taxable activity from this state.

14 (4) A portion of the imported goods purchased by West Virginia businesses could be  
15 competitively manufactured in this state and such state-based manufacturing would increase  
16 opportunity for qualified West Virginia manufacturers and will support sustained in-state  
17 production, workforce expansion, and long-term economic growth.

18 (c) Intent. — Based on the foregoing, it is the intent of the Legislature to incentivize  
19 replacement of imported goods with goods manufactured in West Virginia.

**§11-13NN-3.**

**Definitions.**

1 (a) "Eligible taxpayer" means any person, corporation, partnership, limited liability  
2 company, or other business entity subject to taxation under this chapter that purchases goods for  
3 resale, distribution, or use in business operations in West Virginia.

4 (b) "Imported goods" means tangible personal property manufactured outside the United  
5 States and entered for consumption under federal customs law.

6 (c) "Qualified West Virginia manufacturer" means a business entity that maintains a  
7 physical manufacturing facility in West Virginia and manufactures tangible personal property  
8 within the state with such manufacturing constituting the primary production of the reshored  
9 product(s) at the in-state facility.

10 (d) "Reshoring activity" means the documented replacement of imported goods with  
11 similar goods manufactured by a qualified West Virginia manufacturer.

12 (e) "Reshoring activity verification report" means a report prepared by an independent  
13 certified public accountant, utilizing agreed-upon procedures, as that term is used under  
14 applicable professional auditing standards, prescribed by the Office of Economic Development in  
15 accordance with generally accepted auditing standards in the United States. The certified public  
16 accountant will render a report as to the qualification of the credits, consistent with guidelines to be  
17 determined by the Office of Economic Development and approved by the Tax Commissioner.

18 (f) "Verified initial reshoring value" means the annual dollar value of imported goods  
19 replaced with West Virginia-manufactured goods, as certified pursuant to this article.

20 (g) "Verified continued reshored activity value" means the annual dollar value of repeat  
21 purchases of West Virginia-manufactured goods that previously replaced imported goods, as  
22 certified pursuant to this article.

**§11-13NN-4. Creation of the reshoring tax credit.**

1 (a) An eligible taxpayer may apply for, and the Tax Commissioner shall allow a  
2 nonrefundable tax credit in an amount equal to the percentage specified in §11-13NN-5 of this  
3 code of:

- 4 (1) Verified initial reshoring value; and
- 5 (2) Verified continued reshored activity value.

6 (b) Expenditures utilized by an eligible taxpayer for purposes of calculating the tax credit  
7 authorized by this article shall in no event be utilized by the eligible taxpayer for the purpose of  
8 calculating or qualifying investment for claiming the economic opportunity tax credit authorized by  
9 §11-13Q-1 et seq. of this code or the manufacturing investment tax credit authorized by §11-13S-1  
10 et seq. of this code.

**§11-13NN-5. Amount of credit allowed; limitation of the credits.**

1 (a) *Base allowance.* — The amount of credit allowed to every eligible taxpayer, except as  
2 provided in subsection (b) of this section, is 25 percent of Verified initial reshoring value.

3 (b) *Repeat allowance for continued reshored activity purchases.* — The amount of credit  
4 allowed to every eligible taxpayer for *continued reshored activity purchases* is:

- 5 (1) Twenty percent of verified continued reshored activity value in the second taxable year;
- 6 (2) Fifteen percent of verified continued reshored activity value in the third taxable year;
- 7 (3) Ten percent of verified continued reshored activity value in the fourth taxable year; and
- 8 (4) Five percent of verified continued reshored activity value in the fifth taxable year.

9 (c) Annual limitation. — The total tax credit authorized for any eligible taxpayer may not  
 10 exceed \$1 million within a taxable year.

11 (d) Application of the credits. — The tax credit allowed under this section shall be applied to  
 12 the eligible taxpayer’s state tax liability as provided in §11-13NN-7 of this code.

**§11-13NN-6. Requirements for credit.**

1 (a) The Office of Economic Development shall determine the eligibility of the taxpayer, the  
 2 qualification of the reshoring activity, whether involving initial reshoring or continued reshored  
 3 activity or both, and the qualification of the West Virginia manufacturer. The Office of Economic  
 4 Development shall report this information to the Tax Commissioner in a manner and at times the  
 5 Office of Economic Development and the Tax Commissioner shall agree upon. In order for any  
 6 eligible taxpayer to claim a tax credit under this article, it shall comply with the following  
 7 requirements:

8 (1) Apply to the Office of Economic Development for the reshoring tax credit on forms and  
 9 in the manner the Office of Economic Development may prescribe;

10 (2) Submit to the Office of Economic Development information required by the office to  
 11 demonstrate conformity with the requirements of this section and shall agree in writing:

12 (A) To pay all obligations the eligible taxpayer has incurred in West Virginia; and

13 (B) To delay filing of a claim for the tax credit authorized by this article until the Office of  
 14 Economic Development delivers written notification to the Tax Commissioner that the eligible  
 15 taxpayer has fulfilled all requirements for the credit.

16 (b) Upon completion of the reshoring activity, whether involving initial reshoring activity or  
 17 continued reshored activity or both, and prior to applying for the reshoring tax credit:

18 (1) An eligible taxpayer shall have filed all required West Virginia tax reports and returns  
 19 and paid any balance of West Virginia tax due on those returns; and

20 (2) All claims for the tax credit shall be filed with a reshoring activity verification report; and

21 (c) If the requirements of this section have been complied with, the Office of Economic  
 22 Development shall approve the reshoring activity tax credit and issue a document granting the  
 23 appropriate tax credit to the eligible taxpayer and shall report this information to the Tax  
 24 Commissioner.

**§11-13NN-7. Application of credit to state taxes.**

1 (a) Credit allowed. – Beginning in the taxable year that the expenditures permitted under  
 2 section four of this article are incurred, eligible taxpayers and owners of eligible taxpayers, as  
 3 described in subsection (d) of this section, are permitted a credit, as described in section five of  
 4 this article, against the taxes imposed by articles twenty-four and twenty-one of this chapter, in that  
 5 order, as specified in this section.

6 (b) Corporation net income taxes. – After application of subsection (a) of this section, any  
 7 unused credit is next applied to reduce the taxes imposed by §11-24-1 et seq. of this code for the  
 8 taxable year, determined before application of allowable credits against tax.

9 (c) Personal income tax. – (1) If the eligible taxpayer is an electing small business  
 10 corporation (as defined in Section 1361 of the United States Internal Revenue Code of 1986, as  
 11 amended), a partnership, a limited liability company that is treated as a partnership for federal  
 12 income tax purposes or a sole proprietorship, then any unused credit, after application of  
 13 subsections (a) and (b) of this subsection, is allowed as a credit against the taxes imposed by §11-  
 14 21-1 et seq. of this code on the income from business or other activity subject to tax under §11-23-  
 15 1 et seq. of this code or on income of a sole proprietor attributable to the business.

16 (2) Electing small business corporations, limited liability companies, partnerships and  
 17 other unincorporated organizations shall allocate the credit allowed by this article among its  
 18 members in the same manner as profits and losses are allocated for the taxable year.

**§11-13NN-8. Uses of credit; unused credit; limited carry forward; carry back prohibited;**  
**expiration and forfeiture of credit.**

1 (a) No credit is allowed under this section against any employer withholding taxes imposed  
2 by §11-21-1 et seq. of this code.

3 (b) If the tax credit allowed under this article in any taxable year exceeds the sum of the  
4 taxes enumerated in subsections (b) or (c) of §11-13NN-7 of this code, for that taxable year, the  
5 excess may be applied against those taxes, in the order and manner stated in §11-13NN-7 of this  
6 code, for succeeding taxable years until the earlier of the following:

7 (1) The full amount of the excess tax credit is used;

8 (2) The expiration of the second taxable year after the taxable year in which the  
9 expenditures occurred. The tax credit remaining thereafter is forfeited; or

10 (c) No carryback is allowed to a prior taxable year that does not have qualified  
11 expenditures for the amount of any unused portion of any annual credit allowance.

**§11-13NN-9. Legislative rules.**

1 (a) The Tax Commissioner shall propose for promulgation rules pursuant to §29A-3-1 et  
2 seq. of this code as may be necessary to carry out the purposes of this article.

3 (b) The Secretary of the West Virginia Department of Economic Development may  
4 propose for promulgation rules pursuant to §29A-3-1 et seq. of this code as may be necessary to  
5 carry out the purposes of this article.

**§11-13NN-10. Burden of proof.**

1 The burden of proof is on the eligible taxpayer claiming the credit allowed by this article to  
2 establish by clear and convincing evidence that the eligible taxpayer or credit transferee is entitled  
3 to the amount of credit asserted for the taxable year.

**§11-13NN-11. Sunset.**

1 This article shall expire on December 31, 2030, unless reauthorized by the Legislature.

**§11-13NN-12. Elimination of reshoring tax credits after sunset.**

1 No credit may be earned or certified under this article for reshoring activity occurring after  
2 December 31, 2030.

**§11-13NN-13. Preservation of credits earned prior to sunset.**

1           Any credit earned and certified under this article prior to the sunset date shall remain valid  
2 and may be claimed in accordance with this article.

**§11-13NN-14. Effective date.**

1           This article shall take effect July 1, 2026, and shall apply to taxable years including or after  
2 that date.

NOTE: The purpose of this bill is to encourage West Virginia businesses to replace foreign-manufactured goods with goods manufactured in West Virginia through performance-based, time-limited tax incentives that support sustained in-state production, workforce expansion, and long-term economic growth.

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