

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

House Bill 5474

By Delegates Pritt, Brooks, T. Howell, Leavitt, Hott,

and Clay

[Originating in the Committee on Government

Administration; Reported on February 25, 2026]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
2 designated §11-28-1, §11-28-2, §11-28-3, §11-28-4, §11-28-5, and §11-28-6, relating to
3 creating the "Gateway to the Gorge Outdoor Recreation Industry Act" and a tax incentive to
4 encourage the continued growth of the outdoor recreation economy in West Virginia;
5 setting forth findings; defining terms, setting forth eligibility; creating the tax credit;
6 establishing maximum allowable amount of tax credit; setting forth procedure to claim tax
7 credit; authorizing the Tax Commission to promulgate rules; and setting effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 28. GATEWAY TO THE GORGE OUTDOOR RECREATION INDUSTRY ACT

§11-28-1. Short title.

1 This article may be cited as the "Gateway to the Gorge Outdoor Recreation Industry Act".

§11-28-2. Legislative findings and purpose.

1 (a) Purpose and intent. The West Virginia Legislature finds that the continued growth of the
2 outdoor recreation economy in this state is vital to the goal of further diversifying its economy. In
3 order to incentivize the continued growth of this industry between Charleston and the New River
4 Gorge, thereby increasing employment opportunities, economic development and the general
5 welfare of the people of this state, there is hereby provided an outdoor recreation industry tax
6 credit.

7 (b) Leveraging Natural Resources. The establishment of the New River Gorge has
8 provided a new destination for outdoor recreation enthusiasts from around the country. In addition,
9 the Kanawha State Forest has long provided outdoor recreation opportunities for residents in and
10 around Charleston. By leveraging the ease of access to a variety of recreational opportunities, not
11 limited to those listed above, but also including the Hatfield & McCoy and Appalachian Outlaw
12 Trails, the Mammoth Preserve in Kanawha County, and many others, the area between
13 Charleston and the New River Gorge can offer a multitude of opportunities for employers whose
14 workforce desires the low-cost and easy-to-access activities listed here.

15 (c) Conditions for New Workers. The Ascend Program, and its recently headquartered
16 offices in Charleston, provide an ideal mechanism for bringing new employees to West Virginia
17 who desire to live in areas that provide the low-cost and easy-to-access outdoor recreation
18 opportunities listed above.

19 (d) Key Indicators for long Term Economic Success. The Gateway to the Gorge provides
20 several advantages to attract new outdoor recreation industry participants:

21 (1) Charleston is home to the West Virginia International Yeager Airport (Yeager Airport),
22 and the Raleigh County Memorial Airport is a short drive from Fayetteville, providing two access
23 points for managers and employees.

24 (2) The U.S. Route 19 via I-64 provides direct road transportation between Charleston and
25 the New River Gorge, allowing visitors and residents to freely and easily travel between these two
26 points as they access the Gateway to the Gorge.

27 (3) Studies have concluded that the long-term health of company culture and employee
28 morale rest heavily on the opportunities outside of work provided to employees. By leveraging the
29 opportunities listed above and elsewhere in this article, outdoor recreation businesses that locate
30 in this area will have the ability to attract and retain employee talent, ensuring their long-term
31 success and ability to stay in West Virginia.

32 (e) Outdoor Recreation Attracts Mission Driven Employees. Young professionals who
33 apply to work in the outdoor recreation industry frequently do so because their interests outside of
34 work overlap with the goals of their employers. The Gateway to the Gorge is uniquely positioned to
35 provide the quality of life that these employees are looking for while the Outdoor Recreation
36 Industry Tax Credit can similarly incentivize employers to locate new business operations in the
37 state.

38 (f) Diversification of Opportunities for Young Professionals. By encouraging the outdoor
39 recreation industry to locate in the Gateway to the Gorge, the young professionals of West
40 Virginia, including those coming from nearby colleges and universities, such as Marshall

41 University, University of Charleston, West Virginia University, and West Virginia State University
42 can find greater and more diverse career options not currently available, including marketing and
43 communications, research and development, sales and business development, supply chain and
44 logistics, among others.

45 (g) Conclusion. By enacting targeted economic incentives, paired with the natural
46 advantages inherent to the Gateway to the Gorge, West Virginia can attract new and varied
47 businesses to our state and position itself as the home of a growing industry that offers desirable
48 employment opportunities, a growing tax base, and a future for young people to stay in West
49 Virginia, thereby providing societal benefits not just to the individual employees and businesses,
50 but to their families and the culture of West Virginia. The legislature commits to continued support
51 of policies that will grow this vital sector of the economy in the future by examining further steps for
52 a business hub, workforce development, enhanced outdoor recreation opportunities,
53 conservation, and more that are deemed necessary for the Gateway to the Gorge to become the
54 home of the outdoor recreation industry.

§11-28-3. Definitions.

1 (a) General. When used in this article, or in the administration of this article, terms defined
2 in subsection (b) of this section shall have the meanings ascribed to them by this section, unless a
3 different meaning is clearly required by either the context in which the term is used, or by specific
4 definition in this article.

5 (b) Terms defined.

6 "Eligible Taxpayer" means any business or individual that is subject to the taxes imposed
7 under §11-24-1 et seq. of this code and whose primary business activities are directly related to
8 the outdoor recreation industry as defined in this code and located within the Gateway to the
9 Gorge as defined in this code.

10 "Gateway to the Gorge" means the geographic area of West Virginia traversed by U.S.
11 Route 19 via 1-64 including the western-most point of Charleston and South Charleston

12 continuing down to the southeastern-most point of the New River Gorge, bordered by the Gauley
13 River National Recreation Area to the north, encompassing parts of Lincoln, Kanawha, Boone,
14 Raleigh, Summers, Fayette, Mercer, Greenbrier, Clay, and Nicholas Counties; or any county
15 containing any portion of the New River Gorge National Park and Preserve and any municipality or
16 unincorporated community designated by rule of the Tax Commissioner, in consultation with the
17 Tourism Office, based on proximity to the park, visitor access routes, and provision of outdoor
18 recreation related services.

19 "Outdoor Recreation Industry" means businesses that facilitate, manufacture or sell
20 products and services for leisure activities that occur outdoors, including but not limited to the
21 following:

22 Camping;

23 Fishing;

24 Hunting;

25 Snowboarding;

26 Skiing;

27 Trail Sports, e.g. endurance racing, hiking, racing;

28 Wheel Sports, e.g. mountain biking, cycling;

29 Wildlife Viewing;

30 Bird Watching;

31 Caving;

32 Canoeing;

33 Horseback riding;

34 All-terrain vehicle riding;

35 Kayaking;

36 Mountaineering;

37 Outdoor Photography;

- 38 Rafting;
- 39 Rappelling;
- 40 Rock climbing;
- 41 Slacklining;
- 42 Shooting;
- 43 Snowmobiling;
- 44 Watersports.

§11-28-4. Eligibility criteria.

1 (a) For businesses to qualify for the incentives outlined in this act relating to §11-24-1 et
2 seq. of this code, an outdoor recreation industry business shall meet the following criteria:

- 3 (1) Be located within the Gateway to the Gorge;
- 4 (2) Create five new jobs directly associated with the outdoor recreation industry; or
- 5 (3) Make a new capital investment of at least \$1 million on or after July 1, 2026.

6 (b) Certification required. – Eligibility for the credit is subject to certification by the Tax
7 Commissioner prior to claiming the credit.

§11-28-5. Application of Credit.

1 (a) Amount of credit. - For those tax years beginning on or after July 1, 2026, eligible
2 taxpayers will be allowed a tax credit not to exceed 50 percent of that entity's tax liability for that
3 year.

4 (b) Application of annual credit allowance. - The credit created by this article is allowed as a
5 credit against the taxpayer's state tax liability applied as provided in subdivision (1) of this
6 subsection after application of any other credits:

7 (1) Corporation net income taxes. - Any credit for eligible taxpayers is first applied to
8 reduce the taxes imposed by §11-24-1 et seq. of this code for the taxable year.

9 (c) Maximum Credit Allowed. - The total amount of tax credit that may be used in any
10 taxable year by any eligible taxpayer under sections (a) and (b) of this section may not exceed \$1

11 million.

12 (d) Time period covered. – Eligible taxpayers may apply for use of this credit for three
13 consecutive years beginning with the first eligible taxable year doing business in the Gateway to
14 the Gorge.

15 (e) The credit may not be applied to reduce tax liability below zero.

16 (f) Clawback. – If an eligible taxpayer fails to maintain required job or investment levels, the
17 Tax Commissioner may recapture all or a portion of the credit as provided by rule.

18 (g) Apportionment. – The credit created by this article shall only be applied to eligible
19 taxpayers located within the Gateway to the Gorge as described in this article. Eligible taxpayers
20 with separate locations outside this geographic area may apply for this credit only by the
21 percentage of their payroll taxes located within the Gateway to the Gorge.

§11-28-6.

Rules.

1 The Tax Commissioner shall promulgate rules to ensure compliance, including audit
2 procedures, and prescribing forms and deadlines for the application process.

NOTE: The purpose of this bill is to create of a tax incentive to encourage the continued growth of the outdoor recreation economy in West Virginia to be known as the "Gateway to the Gorge Outdoor Recreation Industry Act".

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