

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

Senate Bill 396

By Senators Morris, Deeds, and Queen

[Reported January 28, 2026, from the Committee on
the Workforce]

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, and §11-13NN-4, relating to the West
3 Virginia Job Training and Placement Act; creating a short title and legislative purpose;
4 defining terms; providing for certification of certain retailers as qualified organizations;
5 authorizing sales tax revenue retention by qualified organizations; setting limitations on tax
6 revenue retention; providing for use of tax revenue retention by qualified organizations to
7 provide job training and placement services; requiring reporting; providing for revocation of
8 qualified organization certification; providing for renewal of qualified organization
9 certification; and providing for rulemaking.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13NN. WEST VIRGINIA JOB TRAINING AND PLACEMENT ACT.

§11-13NN-1. Short title; findings and purpose.

1 (a) This article may be cited as the "West Virginia Job Training and Placement Act".
2 (b) The Legislature finds that retention and use of sales tax revenue collected by certain
3 retailers to provide job training and placement services is in the public interest and promotes the
4 general welfare of the people of this state. To provide greater access to job training and placement
5 services, and thereby increase workforce participation, there is hereby provided to qualifying
6 organizations certain tax credits against the tax imposed by §11-15-1 et seq. of this code.
7 Qualifying organizations shall use the value of said credits for job training and placement services
8 as provided in this article.

§11-13NN-2. Definitions.

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

5 "Consumer Sales and Service Tax" means and is limited to the consumer sales and
6 service tax as defined by §11-15-1 et seq. of this code.

7 "Department" means the West Virginia Department of Revenue.

8 "Qualifying organization" means a retailer certified by the department under §11-13NN-3 of
9 this code.

10 "Workforce training community center" means a retailer that is exempt from the payment
11 of federal income taxes under Section 501(a), Internal Revenue Code of 1986, by being listed as
12 an exempt organization under Section 501(c)(3) of that code; collects and remits to the
13 department sales taxes imposed on the sale of donated goods; has significant experience in
14 assisting persons with disabilities or other barriers to employment with job training and placement
15 services and uses a portion of its revenue to provide those services; is affiliated with a national or
16 statewide organization; and has annual sales of at least \$1 million.

§11-13NN-3. Qualification and amount of sales tax retention allowed for job training and
placement services.

1 (a) Certification as a qualified organization. – A retailer may apply to the department for
2 certification as a qualifying organization under this section. If the comptroller determines that the
3 applicant meets the requirements to be a workforce training community center, as defined by §11-
4 13NN-2 of this code, the department shall certify the applicant as a qualifying organization.

5 (b) Sales tax retention allowed. – There is allowed or allowable to qualifying organizations,
6 as defined under §11-13NN-2 of this code, a retention of the tax imposed by §11-15-1 et seq. of
7 this code as provided in this section.

8 (c) Amount of retained taxes. – Notwithstanding any other provision of this code, a
9 qualifying organization is not required to remit to the department and may retain 75 percent of all
10 Consumer Sales and Service Tax revenue collected after the first \$1 million of said revenue
11 collected by the organization on sales made during the period in which the qualifying organization
12 holds a certification under subsection (a) of this section. The qualifying organization must show the

amount retained on a tax report required by this chapter in addition to any other information required by the department.

(d) *Limitations.* – A qualifying organization shall continue to remit to the department sales taxes imposed by a political subdivision of this state and collected on sales with respect to which the qualifying organization retains sales taxes as authorized by subsection (c) of this section.

(e) *Application of retained consumer sales and service tax.* – Except as provided by subsections (f) and (g) of this section, a qualifying organization shall use sales tax revenue retained as authorized by subsection (c) of this section only to:

(1) Provide a variety of job training and placement services to a person with a disability or other barriers to employment, which barriers may include but are not limited to low educational attainment, a criminal record, homelessness, or veteran status;

(2) Develop an individualized written training and employment plan for each person assisted to ensure appropriate and successful job placement; and

(3) Monitor job retention for each person placed for the first 90 days of employment and provide additional services as needed to support job retention or acquisition of a different job.

(f) *Authorized initial use of retained taxes.* – In its first year of certification, a qualifying organization may use sales tax revenue retained as authorized by subsection (c) of this section to improve its job training and placement infrastructure and otherwise prepare to provide services described by subsection (e) of this section. This subsection does not apply to the period after a qualifying organization's certification is renewed under subsection (l) of this section.

(g) *Required job training and placement services.* – After the period described by subsection (f), for every \$10,000 in sales tax revenue retained under this section, a qualifying organization shall:

(1) Provide job training and placement services to at least three people, including services related to job-seeking skills and vocational skills training, job placement, job coaching, and post-employment support; and

39 (2) Successfully place an average of at least 2.25 people in jobs.

40 (h) *Certification term.* – Subject to subsection (i) of this section, a retailer that is certified as
41 a qualifying organization shall retain that certification for three years following the date of
42 certification. At any time after the period described by subsection (f) of this section during the
43 certification period, the department may, and at the conclusion of the certification period, the
44 department shall, require the qualifying organization to demonstrate, in a manner prescribed by
45 the department in rules promulgated pursuant to §11-13NN-4 of this code, that the qualifying
46 organization:

47 (1) Has not used any tax revenue retained under this section for a purpose other than a
48 purpose described by subsection (e) of this section after the first year of certification; and

49 (2) Is successfully meeting or has successfully met, as applicable, the requirements
50 described by subsection (g) of this section.

51 (i) *Revocation.* – The department, after written notice and a hearing, may revoke a
52 certification issued to a retailer that fails to comply with this article or a rule adopted under this
53 article. A retailer whose certification the comptroller proposes to revoke under this section is
54 entitled to 20 days' written notice of the time and place of the hearing on the revocation. The notice
55 must state the reason the department is seeking to revoke the retailer's certification. At the hearing
56 the retailer must show cause why the retailer's certification should not be revoked.

57 (j) *Notice of revocation.* – The department shall give written notice of the revocation of a
58 certification under subsection (i) of this section to the retailer that was certified under this section.
59 The notice may be sent by mail to the retailer's address as shown in the comptroller's records.

60 (k) *Remittance of taxes after revocation.* – The comptroller shall require an organization
61 whose certification was revoked under subsection (i) of this section to remit an amount of tax
62 revenue retained under this section in the comptroller's discretion, but not to exceed \$3,333 per
63 person not successfully placed in a job in accordance with subsection (g)(2) of this section.

64 (l) *Renewal.* – A retailer that is certified as a qualifying organization may apply to renew the

65 certification. The comptroller may renew a retailer's certification only if the retailer has complied
66 with all requirements imposed by this article during the applicant's certification period and with any
67 other requirements for renewal as prescribed by rules adopted by the department.

§11-13NN-4. Legislative rules.

1 The department may propose rules for legislative approval pursuant to §29A-3-1 *et seq.* of
2 this code necessary to implement this article.

NOTE: The purpose of this bill is to create West Virginia Job Training and Placement 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.