

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 652**

By Senator Garcia

[Introduced January 28, 2026; referred  
to the Committee on Economic Development; and  
then to the Committee on Finance]

1 A BILL to amend and reenact §11-6N-4 and §11B-2-33 of the Code of West Virginia, 1931, as  
2 amended, relating to taxation; modifying the formula for distribution of ad valorem property  
3 tax revenues collected from high-impact data centers to provide 80 percent of such  
4 revenues to counties in which high-impact data centers are located; and clarifying method  
5 of funding the Personal Income Tax Reduction Fund.

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

## **CHAPTER 11. TAXATION.**

### **ARTICLE 6N. SPECIAL METHOD FOR VALUATION OF CERTAIN HIGH- TECHNOLOGY PROPERTY.**

#### **§11-6N-4. Special Rules for Tax Distribution of High Impact Data Centers.**

1 (a) On and after July 1, 2025, any property subject to valuation under §11-6N-3 of this code  
2 shall be subject to the rules on tax distribution provided under this section.

3 (b) The State Auditor shall maintain a separate and discrete accounting of each High  
4 Impact Data Center project regarding tax distribution provided in this section and any distribution  
5 to which a county is entitled as provided by this section shall be distributed directly to the situs  
6 county for each project.

7 (c) Ad Valorem Property Tax Distribution — The provisions of this subsection are  
8 applicable to all data center property of a high impact data center upon certification as a high  
9 impact data center per §11-6N-2 of this code.

10 (1) For so long as the high impact data center exists, the State Auditor shall divide the ad  
11 valorem property tax revenue collected, with respect to taxable data center property of a high  
12 impact data center as follows:

13 (A) The amount of ad valorem property tax revenue that should be generated by  
14 multiplying the assessed value of the property for the then current tax year by the aggregate of  
15 applicable levy rates for the tax year;

(B) The amount of ad valorem property tax revenue that should be generated by multiplying the base assessed value of the property by the applicable regular ad valorem levy rates for the tax year;

(C) The amount of ad valorem tax revenue that should be generated by multiplying the base assessed value of the property for the current tax year by the applicable levy rates for general obligation bond debt service for the tax year;

(D) The amount of ad valorem property tax revenue that should be generated by multiplying the current assessed value of the property for the current tax year by the applicable excess levy rates for the tax year; and

(E) The amount of ad valorem property tax revenue that should be generated by multiplying the incremental value by the applicable regular levy rates for the tax year.

(2) The State Auditor shall determine from the calculations set forth in subdivision (1) of this subsection the percentage share of total ad valorem revenue for each levying body according to paragraphs (B) through (D), inclusive, of said subdivision by dividing each of such amounts by the total ad valorem revenue figure determined by the calculation in paragraph (A) of said subdivision; and

(3) On each date on which ad valorem tax revenue is to be distributed to the levying bodies, such revenue shall be distributed by:

(A) Applying the percentage share determined according to paragraph (B), subdivision (1) of this subsection to the revenues received and distributing such share to the levying bodies entitled to such distribution pursuant to current law;

(B) Applying the percentage share determined according to paragraph (C), subdivision (1) of this subsection to the revenues received and distributing such share to the levying bodies entitled to such distribution by reason of having general obligation bonds outstanding;

(C) Applying the percentage share determined according to paragraph (D), subdivision (1) of this subsection to the revenues received and distributing such share to the levying bodies

entitled to such distribution by reason of having excess levies in effect for the tax year; and

(D) Applying the percentage share determined according to paragraph (E), subdivision (1) of this subsection to the revenues received and distributing such share to a fund dedicated at the time of construction of a high impact data center.

(4) In each year for which there is a positive tax increment, the State Auditor shall remit that portion of the ad valorem property taxes collected that consists of the tax increment and shall be distributed as follows:

~~(A) 50 percent of the increment shall be placed in the Personal Income Tax Reduction Fund provided in §11B-2-33 of this code~~

~~(B) 30~~ (A) 80 percent of the increment to the situs county as defined in this article;

~~(C) (B)~~ 10 percent of the increment to all counties on a per capita basis according to the most recent census;

~~(D) (C)~~ 5 percent of the increment shall be placed Economic Enhancement Grant Fund administered by the Water Development Authority provided in §22C-1-6a; and

~~(E) (D)~~ 5 percent of the increment shall be placed in the Electric Grid Stabilization and Security Fund provided in §5B-2N-2a.

(5) (A) Payment In Lieu Of Taxes, Increment Property — Notwithstanding the provisions of §5D-1-14, §7-5-13, §7-11B-3(b), §7-11B-8(c)(4), §7-11B-15(a)(7), §7-11B-15(a)(15), §7-11B-18, §8-19-4, §8-29A-7, §8A-12-12, §11-13-2p, §11-13C-5(l)(1)(A), §16-13A-21, §16-15-18(b)(6), §17-16A-16(b), §17-16B-20(b), §18-9A-12(c), §31-21-5, and §31-21-15 of this code, or any other provision of this code, no payment in lieu of taxes shall be entered into with relation to any property subject to this section or any leasehold interest related thereto, or any other property interest related thereto.

(B) Tax Increment Financing, Increment Property — Notwithstanding the provisions of §7-11B-1 *et seq.* of this code, or any other provision of this code, no tax increment financing project, plan or arrangement shall be entered into or undertaken with relation to any property subject to this

68 section.

## CHAPTER 11B. DEPARTMENT OF REVENUE.

ARTICLE	2.	STATE	BUDGET	OFFICE.
§11B-2-33.	Personal	Income	Tax	Reduction
				Fund.

(a) The personal income tax reduction fund is hereby established. The personal income tax reduction fund shall be funded continuously and on a revolving basis in accordance with this section, with all interest or other earnings on the moneys therein credited to the fund. The personal income tax reduction fund shall be funded ~~as provided in §11-6N-4(b)(4) of this code by~~ appropriations of the Legislature and as otherwise provided in law. Moneys in the personal income tax reduction fund may be expended solely for the purposes set forth in this section.

(b) Notwithstanding any other provision of this code to the contrary, on or before the last day of any fiscal year, the net proceeds of the personal income tax reduction fund will be certified and included as a portion of adjusted general revenue fund collections under the provisions of §11-21-4h of this code for that fiscal year.

(c) Not later than 60 days following the certification, the Secretary of Revenue shall transfer the certified amount determined in subsection (b) of this section to the general revenue fund. The amounts transferred will not be included as a portion of adjusted general revenue fund collections under the provisions of §11-21-4h of this code for the fiscal year in which the money is transferred.

(d) The moneys in the income tax reduction fund shall be made available to the West Virginia Board of Treasury Investments and to the West Virginia Investment Management Board for management and investment of the moneys in accordance with the provisions of §12-6C-1 *et seq.* of this code in such amounts as may be directed in the discretion of the Secretary of Revenue. Any balance of the income tax reduction fund, including accrued interest and other return earned thereon at the end of any fiscal year, shall not revert to the General Fund but shall remain in the income tax reduction fund for the purposes set forth in this section.

22           (e) Termination – Upon the certification of a reduction in the personal income tax under the  
23 provisions of §11-21-4h of this code that results in the elimination of the personal income tax, or if  
24 the personal income tax provided for under §11-21-1 *et seq.* is eliminated by separate enactment  
25 of the Legislature, this fund will be thereby eliminated and any monies dedicated thereto shall be  
26 dedicated to the general revenue of the state.

NOTE: The purpose of this bill is to modify the distribution of ad valorem property tax revenues collected from high impact data centers so that 80% of such revenues are provided to the counties in which such data centers are sited.

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