

1 COMMITTEE SUBSTITUTE

2 FOR

3 **H. B. 4475**

4 (Delegates Skaff, Ferns, Lawrence, Reynolds, Hall,
5 Pasdon, Cann, Andes, Varner, Stowers and Poore)

6
7 (Originating in the Committee on Finance)

8 [February 22, 2012]

9
10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new article, designated §11-13CC-1, §11-13CC-
12 2, §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all
13 relating to providing a tax credit for persons who graduate
14 with a bachelor's or graduate degree in the area of science,
15 technology, engineering, mathematics, nursing or teaching from
16 any regionally accredited in-state or out-of-state higher
17 education institution or any regionally accredited in-state
18 community and technical college and who thereafter continue to
19 reside in this state.

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

21 That the Code of West Virginia, 1931, as amended, be amended
22 by adding thereto a new article, designated §11-13CC-1, §11-13CC-2,
23 §11-13CC-3, §11-13CC-4, §11-13CC-5 and §11-13CC-6, all to read as
24 follows:

25 **ARTICLE 13CC. WEST VIRGINIA RESIDENTIAL INCENTIVE TAX CREDIT ACT.**

26 **§11-13CC-1. Short title.**

1 This article may be cited as the "West Virginia Residential
2 Incentive Tax Credit Act".

3 **§11-13CC-2. Legislative findings and purpose.**

4 The Legislature finds that it is in the public interest and
5 promotes the general welfare of the people of this state to
6 encourage graduates of post-secondary educational institutions to
7 reside in West Virginia upon graduation.

8 **§11-13CC-3. Definitions.**

9 For purposes of this article, the term "eligible taxpayer"
10 means a person who graduates with an associate's degree, a
11 bachelor's degree or a graduate degree in the area of science,
12 technology, engineering, mathematics, nursing or teaching from any
13 regionally accredited in-state or out-of-state higher education
14 institution or any regionally accredited in-state community and
15 technical college on or after January 1, 2013 and before January 1,
16 2018, and who thereafter continuously resides in this state from
17 the date of graduation through the next subsequent year.

18 **§11-13CC-4. Amount of credit allowed; application for refund.**

19 (a) Credit allowed -- For tax years beginning after
20 December 31, 2012, there is allowed to eligible taxpayers a credit
21 against the taxes imposed by article twenty-one of this chapter.
22 The amount of credit shall be determined as provided in this
23 section.

24 (b) Amount of credit allowable. -- The amount of allowable
25 credit under this article is equal to the amount or portion thereof

1 of the paid and otherwise unrefundable taxes imposed by article
2 twenty-one of this chapter upon the eligible taxpayer for the
3 taxable year in which the eligible taxpayer graduated and the next
4 subsequent year, not to exceed \$1,500 per year. In no event may
5 any person receive more than \$3,000 total for any tax credit
6 authorized under this article.

7 (c) Application for refundable tax credit. Any tax credits
8 accrued under this article for the taxable year of graduation
9 (first year) and for the next subsequent year (second year) shall
10 be applied in the following taxable year (third year) as follows:

11 (1) In the said third year, the eligible taxpayer shall apply
12 for a refund of the allowable tax credits on a form prescribed by
13 the tax commissioner. Any amount of the allowable tax credits for
14 which an application for refund is not filed on or before April 30
15 of the third year is forfeited.

16 (2) The Tax Commissioner may prescribe the forms and schedules
17 as necessary or appropriate for effective, efficient and lawful
18 administration of this article.

19 (3) The Tax Commissioner may obtain any information as
20 determined by the Tax Commissioner to be useful and necessary for
21 the effective oversight and administration of the credit authorized
22 pursuant to this article from the governing board of any
23 educational institution from which the eligible taxpayer claims to
24 have graduated.

25 (4) No tax credit may be refunded or otherwise paid for any
26 taxes imposed by article twenty-one of this chapter after December

1 31, 2018.

2 **§11-13CC-5. Tax credit review and accountability.**

3 (a) Beginning on August 1, 2015, and August 1 of every year
4 thereafter, the Tax Commissioner shall submit to the Governor, the
5 President of the Senate and the Speaker of the House of Delegates
6 a tax credit review and accountability report evaluating the cost
7 of the credit allowed under this article during the most recent
8 period for which information is available. The criteria to be
9 evaluated includes, but is not limited to, for each year:

10 (1) The numbers of taxpayers claiming the credit; and

11 (2) The cost of the credit.

12 (b) Taxpayers claiming the credit shall provide whatever
13 information the Tax Commissioner requires to prepare the report:
14 Provided, That the information is subject to the confidentiality
15 and disclosure provisions of sections five-d and five-s, article
16 ten of this chapter. If, in any reporting period under this
17 section, fewer than ten eligible taxpayers have taken or applied
18 for the credit authorized under this article, then no report shall
19 be filed for that reporting period under this section.

20 **§11-13CC-6. Rules.**

21 The Tax Commissioner may propose rules for promulgation in
22 accordance with article three, chapter twenty-nine-a of this code
23 to carry out the policy and purposes of this article, to provide
24 any necessary clarification of the provisions of this article and
25 to efficiently provide for the general administration of this
26 article.