

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 40**

4 (By Senator Klempa)

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6 [Originating in the Committee on the Judiciary;

7 reported January 19, 2012.]

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11 A BILL to amend the Code of West Virginia, 1931, as amended, by
12 adding thereto a new article, designated §11-13CC-1,
13 §11-13CC-2, §11-13CC-3 and §11-13CC-4, all relating to
14 creating a tax credit for businesses that properly compost
15 trash and unused food rather than use the normal means of
16 dumping trash and unused food into a noncomposting dumpster;
17 providing for legislative findings and purpose; providing for
18 eligibility of the credit; providing for the amount of the
19 credit; and authorizing the Tax Commissioner to promulgate
20 legislative rules to administer the tax credit.

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

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

25 **ARTICLE 13CC. TAX CREDIT FOR COMPOSTING.**

1 **§11-13CC-1. Legislative findings and purpose.**

2 The Legislature finds that the encouragement of businesses to
3 compost certain types of garbage, landscape waste and food are in
4 the public interest and promotes a pro-environmental atmosphere in
5 the State of West Virginia. A tax credit for composting allows
6 businesses to reduce their environmental impact and provides a
7 green manner in which to dispose of waste.

8 The Composting Tax Credit will also give money back to
9 businesses to reinvest and hire new employees.

10 **§11-13CC-2. Eligibility for tax credit; creation of the credit.**

11 (a) There is allowed to every eligible taxpayer a credit
12 against the taxes imposed in articles thirteen, twenty-one,
13 twenty-three, and twenty-four of this chapter. The amount of this
14 credit is determined and applied as provided in this article.

15 (b) To be eligible for the tax credit under this article a
16 business must contract with a commercial composting facility, as
17 defined in section two, article fifteen, chapter twenty-two of this
18 code to collect its compostable garbage, landscape waste and unused
19 food separate from traditional garbage for transportation to the
20 facility for composting.

21 **§11-13CC-3. Amount of tax credit allowed; limit on total amount of**
22 **credit taken.**

23 The amount of annual credit allowed under this article to an
24 eligible taxpayer is fifty percent of the cost of contracting with
25 the commercial composting facility up to a maximum of \$2,000 per

1 year. This tax credit is applied to the tax year in which
2 composting was done and is not allowed to be carried over to future
3 tax years.

4 **§11-13CC-4. Promulgation of Rules.**

5 The Tax Commissioner in consultation with the Department of
6 Environmental Protection shall propose rules for legislative
7 approval in accordance with article three, chapter twenty-nine-a of
8 this code to carry out the policy and purposes of this article, to
9 provide any necessary clarification of the provisions of this
10 article and to efficiently provide for the general administration
11 of this article.

NOTE: The purpose of this bill is to provide businesses a tax credit up to \$2,000 for composting certain types of garbage, landscape waste and food. The bill sets forth eligibility for the credit. The bill also grants rule-making authority.

This article is new; therefore, strike-throughs and underscoring have been omitted.