

# **WEST VIRGINIA LEGISLATURE**

## **2016 REGULAR SESSION**

**Introduced**

### **Senate Bill 400**

BY SENATORS COLE (MR. PRESIDENT) AND KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Introduced January 27, 2016;

Referred to the Committee on Finance.]

1 A BILL to amend and reenact §11-15-30 of the Code of West Virginia, 1931, as amended, relating  
 2 to dedication and deposit of certain tax proceeds; reducing amount of sales tax proceeds  
 3 annually dedicated to School Major Improvement Fund by \$999,996 for fiscal year 2017;  
 4 and reducing amount of sales tax proceeds annually dedicated to School Construction  
 5 Fund by \$3 million for fiscal year 2017.

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

1 That §11-15-30 of the Code of West Virginia, 1931, as amended, be amended and  
 2 reenacted to read as follows:

**ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.**

**§11-15-30. Proceeds of tax; appropriation of certain revenues.**

1 (a) The proceeds of the tax imposed by this article shall be deposited in the General  
 2 Revenue Fund of the state except as otherwise expressly provided in this article.

3 (b) *School Major Improvement Fund.* -- After the payment or commitment of the proceeds  
 4 or collections of this tax for the purposes set forth in section sixteen of this article, on the first day  
 5 of each month, there shall be dedicated monthly from the collections of this tax, the amount of  
 6 \$416,667 and the amount dedicated shall be deposited on a monthly basis into the School Major  
 7 Improvement Fund created pursuant to section six, article nine-d, chapter eighteen of this code:  
 8 *Provided, That for fiscal year 2016, the amount so dedicated and deposited annually under this*  
 9 *subdivision is reduced by \$2,000,004, and the amount so dedicated and deposited monthly is*  
 10 *reduced to \$250,000 for fiscal year 2016. This reduction shall cease for fiscal years beginning*  
 11 *after June 30, 2016: Provided, however, That for fiscal year 2017, the amount so dedicated and*  
 12 *deposited annually under this subdivision is reduced by \$999,996 and the amount so dedicated*  
 13 *and deposited monthly is reduced to \$333,334 for fiscal year 2017. This reduction shall cease*  
 14 *for fiscal years beginning after June 30, 2017.*

15 (c) *School Construction Fund.* -- After the payment or commitment of the proceeds or  
 16 collections of this tax for the purposes set forth in section sixteen of this article:

17 (1) On the first day of each month, there shall be dedicated monthly from the collections  
18 of this tax the amount of \$1,416,667 and the amount dedicated shall be deposited into the School  
19 Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this code.

20 (2) Except as provided in subdivision (3) of this subsection, effective July 1, 1998, there  
21 shall be dedicated from the collections of this tax an amount equal to any annual difference that  
22 may occur between the debt service payment for the 1997 fiscal year for school improvement  
23 bonds issued under the Better School Building Amendment under the provisions of article nine-c,  
24 chapter eighteen of this code and the amount of funds required for debt service on these school  
25 improvement bonds in any current fiscal year thereafter. This annual difference shall be prorated  
26 monthly, added to the monthly deposit in subdivision (1) of this subsection and deposited into the  
27 School Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this  
28 code.

29 (3) After June 30, 2015, the provisions of subdivision (2) of this subsection shall have no  
30 force or effect. After June 30, 2015, there shall be dedicated from the collections of this tax the  
31 amount of \$27,216,996 annually. This amount shall be prorated monthly and added to the monthly  
32 deposit in subdivision (1) of this subsection and deposited into the School Construction Fund  
33 created pursuant to section six, article nine-d, chapter eighteen of this code: *Provided*, That for  
34 fiscal year 2016, the amount so dedicated annually under this subdivision is reduced by \$6 million.  
35 This reduction shall cease for fiscal years beginning after June 30, 2016: *Provided, however, That*  
36 for fiscal year 2017, the amount so dedicated and deposited annually under this subdivision is  
37 reduced by \$3 million. This reduction shall cease for fiscal years beginning after June 30, 2017.

38 (d) *Prepaid wireless calling service.* -- The proceeds or collections of this tax from the sale  
39 of prepaid wireless service are dedicated as follows:

40 (1) The tax imposed by this article upon the sale of prepaid wireless calling service is in  
41 lieu of the wireless enhanced 911 fee imposed by section six-b, article six, chapter twenty-four of  
42 this code.

43           (2) Within thirty days following the end of each calendar month, the Tax Commissioner  
44 shall remit to the Public Service Commission the proceeds of the tax imposed by this article upon  
45 the sale of prepaid wireless calling service in the preceding month, determined as follows: For  
46 purposes of determining the amount of those monthly proceeds, the Tax Commissioner shall use  
47 an amount equal to one twelfth of the wireless enhanced 911 fees collected from prepaid wireless  
48 calling service under section six-b, article six, chapter twenty-four of this code during the period  
49 beginning on July 1, 2007, and ending on June 30, 2008. Beginning on July 1, 2009, the Tax  
50 Commissioner shall adjust this amount annually by an amount proportionate to the increase or  
51 decrease in the enhanced wireless 911 fees paid to the Public Service Commission under said  
52 section during the previous twelve months. The Public Service Commission shall receive, deposit  
53 and disburse the proceeds in the manner prescribed in said section.

NOTE: The purpose of this bill is to reduce the amount of sales tax proceeds dedicated to the School Major Improvement Fund by \$999,996 for the fiscal year 2017 and to reduce the amount of sales tax proceeds dedicated to the School Construction Fund by \$3 million for fiscal year 2017.

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