

# WEST VIRGINIA LEGISLATURE

## 2016 REGULAR SESSION

Introduced

### House Bill 2490

FISCAL  
NOTE

2015 Carryover

(BY DELEGATE RODIGHIERO)

[Introduced January 13, 2016; referred to the  
Committee on Small Business, Entrepreneurship and  
Economic Development then Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §11-13Q-5a, relating to establishing a tax credit for new businesses that locate  
 3 in the state; setting forth how the credit is determined; establishing the conditions that  
 4 must be met to qualify for the credit; and defining terms.

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

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
 2 section, designated §11-13Q-5a, to read as follows:

**ARTICLE 13Q. ECONOMIC OPPORTUNITY TAX CREDIT.**

**§11-13Q-5a. Credit allowed for locating new businesses in this state.**

1 (a) Credit allowed. -- A corporation that establishes a new business in this state and  
 2 employs, on a full-time basis, in the state, at least fifteen people, who are domiciled in this state,  
 3 is allowed credit under this article, the amount of which is determined as provided in subsection  
 4 (b) of this section. The restrictions set forth in subsection (a), section nineteen of this article do  
 5 not apply to the credit for new businesses allowed under this section.

6 (b) Determination of credit. -- The amount of credit allowed by subsection (a) is  
 7 determined, at the election of the taxpayer:

8 (1) By multiplying the taxpayer's adjusted qualified investment by its new jobs percentage  
 9 (as determined under section nine of this article); or

10 (2) By multiplying the taxpayer's adjusted qualified investment by ten percent.

11 (c) Notwithstanding any other provision of this article to the contrary:

12 (1) New jobs created in this state by location of a new business may include jobs created  
 13 in this state within twelve months before or after the month in which the qualified investment in  
 14 the new business location is placed into service or use in this state by:

15 (A) Relocation or transfer of employees of the corporation or employees of a related

16 corporation or related person from an out-of-state location to the location of a new business in  
 17 this state, who: (i) Are or become employees of the corporation within twelve months before or  
 18 after the month in which the qualified investment in the new business is placed into service or use  
 19 in this state; and (ii) whose regular place of work is in this state; or

20 (B) New employees of the corporation whose regular place of work is in this state.

21 (2) Multiple year projects certified under section six of this article may be allowed for  
 22 locating new businesses under this section.

23 (d) Application of credit. -- The credit allowed by this section is applied in the manner  
 24 prescribed in section seven of this article. However, the amount of corporation net income taxes  
 25 against which the credit allowed by this section may be applied is the sum of the corporation net  
 26 income tax due on adjusted federal taxable income allocated to this state under section seven,  
 27 article twenty-four of this chapter, plus that portion of the corporation net income tax due on  
 28 adjusted federal taxable income apportioned to this state under section seven, article twenty-four  
 29 of this chapter, that is further apportioned to the qualified investment using the payroll factor  
 30 provided in subdivision (1), subsection (h), section seven of this article or an alternative means of  
 31 apportionment as prescribed by the commissioner under section seven of this article. For all  
 32 other purposes, the credit allowed by this section is treated as credit allowed by section four of  
 33 this article.

34 (e) Definitions. -- For purposes of this section:

35 "Adjusted qualified investment" means the taxpayer's qualified investment in the new  
 36 business as determined under section eight of this article and rules of the commissioner.

37 "The corporation" means the new business that locates in the state.

NOTE: The purpose of this bill is to establishing a tax credit for new businesses that locate in the state. The bill sets forth how the credit is determined. The bill establishes

the conditions that must be met to qualify for the credit. The bill defines terms.

This section is new; therefore, it has been completely underscored.