

# **WEST VIRGINIA LEGISLATURE**

**2016 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 400**

BY SENATORS COLE (MR. PRESIDENT) AND KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Originating in the Committee on Finance;

reported on February 12, 2016.]



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 amending monthly deposit requirements; specifying retroactive effect; and reducing  
5 amount of sales tax proceeds annually dedicated to School Construction Fund by \$3  
6 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~~ subdivisions (1) and (2) of this  
30 subsection shall have no force or effect. After June 30, 2015, there shall be dedicated from the  
31 collections of this tax the amount of \$27,216,996 annually. This amount shall be prorated monthly  
32 ~~and added to the monthly deposit in subdivision (1) of this subsection~~ and deposited into the  
33 School Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this  
34 code: *Provided*, That for fiscal year 2016, the amount so dedicated annually under this subdivision  
35 is reduced by \$6 million. This reduction shall cease for fiscal years beginning after June 30, 2016:  
36 *Provided, however*, That for fiscal year 2017, the amount so dedicated and deposited annually  
37 under this subdivision is reduced by \$3 million. This reduction shall cease for fiscal years  
38 beginning after June 30, 2017. Amendments to this subdivision enacted in the 2016 regular  
39 legislative session are retroactive, in accordance with dates and fiscal years specified herein.

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

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

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