

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Introduced

House Bill 4757

FISCAL
NOTE

BY DELEGATES WALKER, ROHRBACH, MILEY, LAVENDER-

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BROWN AND FLEISCHAUER

[Introduced February 07, 2020; Referred to the

Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §11-21-12m; to amend said code by adding thereto a new section, designated
3 §11-24-23h; to amend said code by adding thereto a new section, designated §16-35-4b,
4 all relating to establishing tax credits for lead abatement in child occupied residences;
5 establishing personal and corporate tax credit to owners or occupiers of these residences;
6 providing for varying tax credits based on time periods when the credit is claimed; and
7 providing for rule-making authority.

Be it enacted by the Legislature of West Virginia:

CHAPTER 11. TAXATION.

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12m. Tax credit for lead paint abatement.

1 (a) In addition to amounts authorized to be subtracted from federal adjusted gross income
2 pursuant to §11-21-12 of this code, owners or lessors of child occupied residential properties that
3 pay for lead abatement projects performed by licensed lead abatement contactor done in
4 compliance with the requirements §16-35-1 et seq., shall be eligible for a tax credit against
5 personal income tax as follows:

6 (1) A tax credit of up to 75 percent of the cost of the abatement project if completed
7 between July 1, 2021 and June 30, 2023;

8 (2) A tax credit of up to 50 percent of the cost of the abatement project if completed
9 between July 1, 2023 and June 30, 2024; and

10 (3) A tax credit of up to 25 percent of the cost of the abatement project if completed
11 between July 1, 2025 and June 30, 2026.

12 (b) The tax credit created herein is only applicable for the year it is earned and is not
13 eligible to be banked for future tax years if the cost of the remediation exceeds the amount of tax
14 owed by the person claiming the credit.

15 (c) The Department of Revenue may promulgate legislative rules pursuant to §29A-3-1 et
16 seq. of this code as necessary to implement the provisions of this section.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-23h. Tax credit for lead paint abatement.

1 (a) In addition to amounts authorized to be subtracted from federal adjusted gross income
2 pursuant to §11-24-4 of this code, corporations operating child occupied residential properties
3 that pay for lead abatement projects performed by licensed lead abatement contactor done in
4 compliance with the requirements §16-35-1 et seq., shall be eligible for a tax credit against
5 corporation net income tax as follows:

6 (1) A tax credit of up to 75 percent of the cost of the abatement project if completed
7 between July 1, 2021 and June 30, 2023;

8 (2) A tax credit of up to 50 percent of the cost of the abatement project if completed
9 between July 1, 2023 and June 30, 2024; and

10 (3) A tax credit of up to 25 percent of the cost of the abatement project if completed
11 between July 1, 2024 and June 30, 2025.

12 (b) The tax credit created herein is only applicable for the year it is earned and is not
13 eligible to be banked for future tax years if the cost of the remediation exceeds the amount of
14 credit exceeds the tax owed by the corporation claiming the credit.

15 (c) The Department of Revenue may promulgate legislative rules pursuant to §29A-3-1 et
16 seq. of this code as necessary to implement the provisions of this section.

CHAPTER 16. PUBLIC HEALTH.

ARTICLE 35. LEAD ABATEMENT.

§16-35-4b. Duties of director relating to eligibility of tax credit for lead abatement
remediation projects.

1 The Department of Health and Human Resources shall create and provide forms to

2 licensed lead abatement contractors for submission to the Department of Revenue verifying and
3 affirming that the lead abatement project meets all state and federal abatement standards, the
4 amount that was spent on the project, and the date the project was completed. The owner or
5 operator of a child occupied residence must submit a copy of the form to the Tax Commission in
6 order to qualify for the credit claimed during the taxable year. The Department of Health and
7 Human Resources may promulgate legislative rules pursuant to §29A-3-1 *et seq.* of this code
8 necessary to implement the provisions of this section.

NOTE: The purpose of this bill is to create tax credits for persons and corporations that own or lease residential property where children reside or may reside that undertake lead abatement remediation projects; providing for a credit against personal income and corporate net income taxes for a percentage of the costs of the remediation; and allowing for agency rulemaking to implement the verification of eligibility requirements for and the tax credit program.

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