

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill 2640

**FISCAL
NOTE**

BY DELEGATE HORNBUCKLE

[Introduced February 23, 2021; 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 §11-21-97; and to amend said code by adding thereto a new section,
 3 designated §11-24-44, all relating to establishing personal or corporate income tax credit
 4 for businesses who hire, promote, and develop women and minorities into executive,
 5 professional, or administrative roles; findings; determination of eligibility for credit, amount
 6 of credit, effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-97. Tax credit for hiring or promoting women or minorities into executive, administrative, or professional positions.

1 (a) The Legislature finds that Individuals from widely varied backgrounds bring a broad
 2 range of skills and imaginative solutions to solving business problems. The Legislature also finds
 3 that encouraging women and minorities to reach leadership positions in business would
 4 strengthen the state’s economy through fostering an inclusive culture and providing employment
 5 opportunities where diversity of thought is valued and welcomed.

6 (b) A credit of \$200 against personal income tax shall be granted to the owner or owners
 7 of a business that hires a woman or minority employee into, or who promotes an existing woman
 8 or minority employee into, an executive, administrative or professional position in the business as
 9 described in the United States Fair Labor Standards Act, 29 CFR Part 541.100 - 106; Part 541.200
 10 – 204 or Part 541.300 – 304: *Provided*, That the employee retains an executive, administrative,
 11 or professional position in the business for at least 12 months. The credit may be applied to
 12 personal income tax owed by the business owner over a two-year period following the period in
 13 which it was earned, but may not be claimed if the business claims a similar credit against
 14 corporate income tax owed by the business.

15 (c) Eligibility for earning the tax credit begins July 1, 2021, but expires December 31, 2026.

16 (d) Upon application from a business owner or executive, the Commissioner of Labor shall

17 certify whether an employee qualifies the business or its owner to receive a credit offered by this
18 section, and shall issue certification acceptable to the State Tax Commissioner.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-44. Tax credit for hiring or promoting women or minorities into executive, administrative or professional positions.

1 (a) The Legislature finds that Individuals from widely varied backgrounds bring a broad
2 range of skills and imaginative solutions to solving business problems. The Legislature also finds
3 that encouraging women and minorities to reach leadership positions in business would
4 strengthen the state’s economy through fostering an inclusive culture and providing employment
5 opportunities where diversity of thought is valued and welcomed.

6 (b) A credit of \$200 against corporate income tax shall be granted to a corporation for
7 each new woman or minority employee the business hires into, or promotes from within, to an
8 executive, administrative or professional position in the business as described in the United States
9 Fair Labor Standards Act, 29 CFR Part 541.100 – 106, Part 541.200 – 204, or Part 541.300 –
10 304: *Provided*, That the employee retains an executive, administrative or professional position in
11 the business for at least 12 months. The credit may be applied to income tax owed by the business
12 over a two-year period following the period in which it was earned.

13 (c) Eligibility for earning the tax credit begins July 1, 2021, and expires December 31,
14 2026.

15 (d) Upon application from a business owner or executive, the Commissioner of Labor shall
16 certify whether an employee qualifies the business to receive a credit offered by this section, and
17 shall issue certification acceptable to the State Tax Commissioner.

NOTE: The purpose of this bill is to offer tax credit against either personal or corporate income taxes for hiring women or minorities into executive, administrative, or professional jobs.

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