

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Introduced

House Bill 4081

FISCAL
NOTE

BY DELEGATES HOWELL, MAYNOR, HAYNES,
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RILEY, TULLY, AND PAYNTER

[Introduced January 13, 2022; 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 article,
 2 designated §11-29-1, §11-29-2, and §11-29-3, all relating to creating a tax incentive plan
 3 for sewage treatment facility output; providing legislative findings and establishing a
 4 purpose; establishing the creation of tax incentive plans for companies to use output from
 5 sewage treatment facilities for use in their company plans who require water but not
 6 necessarily drinking quality water; and providing for an effective date.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 29. TAX INCENTIVE PLAN FOR SEWAGE TREATMENT FACILITY
 OUTPUT.**

§11-29-1. Findings; purpose.

1 (a) The Legislature finds that many cities and towns throughout West Virginia have
 2 sewage treatment plants that produce recycled water that has been treated through these facilities
 3 which is graded as clean water, but not necessarily clean enough for human consumption or
 4 drinking.

5 (b) Many companies throughout West Virginia require water for their day-to-day
 6 operations, and the requirement for water does not necessarily mean that they require water that
 7 is graded to drinking level quality or human consumption.

8 (c) With the abundance of this recycled water which has been treated through these
 9 sewage treatment facilities, and with many West Virginia companies needing water for their
 10 companies, the Legislature finds that the creation of a tax incentive would provide a new use for
 11 this recycled water.

12 (d) In applying for this credit, a company may partner with a city, town, or municipality to
 13 use output from their sewage treatment plants for production of products or for the day-to-day
 14 operation of the company.

15 (e) The creation of this tax credit provides an incentive for West Virginia companies to use

16 water from sewage treatment output plans instead of more expensive alternatives.

§11-29-2. Tax incentive plan; eligibility.

1 For those tax years beginning on or after January 1, 2023, a business entity in West
2 Virginia will be allowed a credit against taxes otherwise imposed upon them in this code if the
3 business entity meets the following requirements:

4 (a) The entity is a corporation, small business corporation, limited liability company,
5 partnership, or unincorporated business entity as defined in this code that also has a principal
6 place of business in the state;

7 (b) The entity uses water for the purpose of maintaining their day-to-day operations, for
8 the production of their goods, or otherwise; and

9 (c) The entity coordinates with a city, town, or municipality in West Virginia to use their
10 recycled water from sewage treatment facilities in West Virginia.

§11-29-3. Application of credit.

1 (a) Amount of credit. — For those tax years beginning on or after January 1, 2023, an
2 eligible business entity will be allowed a tax credit in the amount of 10 percent for their usage of
3 water for their day-to-day operations, for the production of their goods, or otherwise.

4 (b) Electing small business corporations, limited liability companies, partnerships, and
5 other unincorporated organizations shall allocate the credit allowed by this article among its
6 members in the same manner as profits and losses are allocated for the taxable year.

7 (c) Rule-making authority. — The State Tax Division shall promulgate emergency rules
8 pursuant to the provisions of §29A-3-15 of this code. These rules shall include, at a minimum,
9 forms for use in claiming the credit authorized in this article, administration of the credit authorized
10 in this article, and any other matter seen necessary by the State Tax Division for the administration
11 of this article.

NOTE: The purpose of this bill is to provide for a tax credit for those West Virginia

businesses who use water for their day-to-day operations, for production of their goods, or otherwise. The company must use recycled water from a city, town, or municipality's sewage treatment plans. The amount of the tax credit shall be 10 percent.

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