

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Introduced

House Bill 4730

FISCAL
NOTE

BY DELEGATES G. WARD, PHILLIPS, FERRELL, AND

BARNHART

[Introduced February 15, 2022; Referred to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
2 designated §11-13LL-1, §11-13LL-2, §11-13LL-3, and §11-13LL-4, all relating to
3 establishing a tax credit for contributions made by an employer to a state higher education
4 institution; definitions; requirements; establishing the amount of credit allowed; providing
5 for Legislative rules; and setting the effective date.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 13LL. TAX CREDIT FOR CONTRIBUTIONS FROM EMPLOYERS TO STATE
HIGHER EDUCATION INSTITUTIONS.**

§11-13LL-1. Definitions.

1 As used in this article:

2 “Higher education institution” means a West Virginia state college, university, or
3 community or technical college.

4 “Major” means the subject matter area or course of study a student will be trained to
5 specialize in when pursuing a degree or certification from a higher education institution.

§11-13LL-2. Employer higher education institution contribution tax credit.

1 (a) An eligible taxpayer shall be allowed a credit against taxes imposed by §11-21-1 et
2 seq. and §11-24-1 et seq. of this code for contributions to a higher education institution in
3 accordance with the provisions of this article.

4 (b) To qualify for the credit established in this article, the taxpayer must designate one or
5 more majors offered at the higher education institution for which the donation is intended to
6 support.

7 (c) The amount of the credit is equal to 25 percent of contributions made to a higher
8 education institution, not to exceed \$25,000 for each student that graduates in a major designated
9 for support by the taxpayer and upon graduation, is employed on a continuous full-time basis by
10 the taxpayer for at least one full year. The credit may be claimed beginning in the taxpayer’s

11 taxable year in which the student completes his or her first year of employment by the taxpayer.

12 (d) The credit allowed by this article may be claimed against taxes imposed by §11-21-1
13 et seq. or §11-24-1 et seq. of this code, as designated by the taxpayer.

14 (e) A taxpayer may claim up to \$250,000 in tax credits in a taxable year. If the amount of
15 the credit exceeds the taxpayer's tax liability for the taxable year, the amount which exceeds the
16 tax liability may be carried over and applied as a credit against the tax liability of the taxpayer
17 pursuant to §11-21-1 et seq. or §11-24-1 et seq. of this code to each of the next four taxable years
18 unless sooner used.

§11-13LL-3. Legislative rules.

1 The commissioner shall propose rules for legislative approval in accordance with the
2 provisions of §29A-3-1 et seq. of this code as may be necessary to carry out the purposes of this
3 article.

§11-13LL-4. Effective date.

1 The credit allowed by this article is allowed upon contributions made to a higher education
2 institution on and after January 1, 2023.

NOTE: The purpose of this bill is to establish a tax credit for contributions to a state higher education against personal income taxes and corporate net income taxes imposed by WVC §11-21-1 et seq. and §11-24-1 et seq.

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