WEST virginia legislature

**FISCAL NOTE**

2024 Regular session

Introduced

House Bill 5034

By Delegates Vance, Martin, Toney, Dean, Brooks, and Bridges

[Introduced January 23, 2024; Referred to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-13-32, relating to providing a reduction of the business and occupation tax rate for companies who have 75% or more of their workforce as West Virginia residents.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13. BUSINESS AND OCCUPATION TAX.

§11-13-32. Reduction of tax for companies who employ residents of this state.

(a) *Legislative findings*. – The Legislature finds that companies who employ residents of this state ensure that those workers will benefit the state's economy as a whole. Providing incentives to companies to hire local workers is a way to accomplish this mission.

(b) *Rate reduction established*. – Companies in this state who employ at least 75% of their workforce using West Virginia residents shall be entitled to a 2.5% overall reduction for that company's business and occupation tax rate.

(c) *Requirements*. – Companies must be able to provide evidence that 75% of their workforce are residents of this state in order to qualify for the credit. Additionally, the West Virginia Department of Tax and Revenue may issue guidance on the implementation of this credit.

(d) *Effective date*. – This rate reduction provided for in this section shall take effect for the 2024 tax year and continuing thereafter.

NOTE: The purpose of this bill is to provide a reduction of the business and occupation tax rate for companies who have 75% or more of their workforce as West Virginia residents.

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