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WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1998



SECOND ENROLLMENT

Com. Sub. for
House Bili No. 4007

(By Mr. Speaker, Mr. Kiss, and Delegate Ashley)
[By Request of the Executive]



Passed March 21, 1998

In Effect from Passage

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OFFICE OF THE CLERK
SENATE OF WEST VIRGINIA

SECOND ENROLLMENT

COMMITTEE SUBSTITUTE

FOR

H. B. 4007

(By MR. SPEAKER, MR. KISS, AND DELEGATE ASHLEY)

[By Request of the Executive]

[Passed March 21, 1998; in effect from passage.]

AN ACT to amend and reenact section four-a, article thirteen-c, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating generally to allowance, determination, computation and application of West Virginia corporate headquarters relocation tax credit; expanding categories of businesses eligible for credits; specifying how new jobs are determined; allowing multiple year headquarter relocation projects; permitting use of alternative apportionment methods when applying credit; adding definitions; and specifying effective date.

Be it enacted by the Legislature of West Virginia:

That section four-a, article thirteen-c, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 13C. BUSINESS INVESTMENT AND JOBS EXPANSION
TAX CREDIT.**

§11-13C-4a. Credit allowed for locating corporate headquarters in this state.

1 (a) *Credit allowed.* — A corporation that presently
2 has its corporate headquarters located outside this state
3 that relocates its corporate headquarters in this state and
4 employs, on a full-time basis, at its new corporate
5 headquarters location, at least fifteen people, who are
6 domiciled in this state, shall be allowed credit under this
7 article, the amount of which shall be determined as
8 provided in subsection (b). For corporate headquarters
9 relocations occurring on and after the first day of January,
10 one thousand nine hundred ninety-eight, the restrictions
11 set forth in subsection (a), section fifteen of this article
12 shall not apply to the credit allowed under this section.
13 However, the restrictions set forth in subsection (a), section
14 fifteen of this article and the exceptions thereto set forth in
15 subsection (b) of said section fifteen, shall remain fully
16 applicable and in force and effect for all other tax credits
17 provided or allowable under this article.

18 (b) *Determination of credit.* — The amount of credit
19 allowed by subsection (a) shall be determined at the
20 election of the taxpayer:

21 (1) By multiplying its adjusted qualified investment
22 by its new jobs percentage (as determined under section
23 seven of this article); or

24 (2) By multiplying its adjusted qualified investment
25 by ten percent.

26 (c) *Corporate headquarters relocations after*
27 *December 31, 1997.* — For purposes of corporate
28 headquarters relocations occurring on or after the first day
29 of January, one thousand nine hundred ninety-eight, and
30 notwithstanding any other provision of this article to the
31 contrary:

32 (1) New jobs created in this state by relocation of a
33 corporate headquarters may include jobs created in this
34 state within twelve months before or after the month in
35 which the qualified investment in the corporate
36 headquarters relocation is placed into service or use in this
37 state by:

38 (A) Relocation or transfer of employees of the

39 corporation or employees of a related corporation or
40 related person from an out-of-state location to the
41 relocated corporate headquarters in this state, who: (i) Are
42 or become employees of the corporation within twelve
43 months before or after the month in which the qualified
44 investment in the corporate headquarters is placed into
45 service or use in this state; and (ii) whose regular place of
46 work is in the corporate headquarters, or

47 (B) New employees of the corporation whose regular
48 place of work is in the corporate headquarters.

49 (2) Multiple year projects certified under section
50 four-b of this article may be allowed for corporate
51 headquarters relocations under this section.

52 (d) *Application of credit.* — The credit allowed by
53 this section shall be applied in the manner prescribed in
54 section five of this article: *Provided*, That the amount of
55 corporation net income taxes against which the credit
56 allowed by this section may be applied shall be the sum of
57 the corporation net income tax due on adjusted federal
58 taxable income allocated to this state under section seven,
59 article twenty-four of this chapter, plus that portion of the
60 corporation net income tax due on adjusted federal
61 taxable income apportioned to this state under section
62 seven, article twenty-four of this chapter, that is further
63 apportioned to the qualified investment using the payroll
64 factor provided in paragraph (1), subsection (h) of said
65 section five or an alternative means of apportionment as
66 prescribed by the tax commissioner under said section
67 five. For all other purposes, the credit allowed by this
68 section shall be treated as credit allowed by section four of
69 this article.

70 (e) *Definitions.* — For purposes of this section:

71 (1) *Adjusted qualified investment.* — The term
72 "adjusted qualified investment" means the taxpayer's
73 qualified investment in the corporate headquarters as
74 determined under section six of this article and rules of
75 the tax commissioner, plus the cost of the reasonable and
76 necessary expenses it incurred to relocate its corporate
77 headquarters at a location in this state from its present

78 location outside this state.

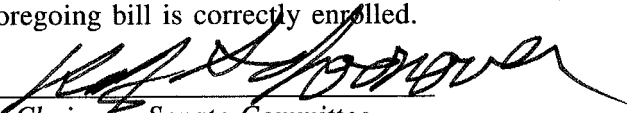
79 (2) *Corporate headquarters.* — The term "corporate
80 headquarters" means the place at which the corporation
81 has its commercial domicile and from which the business
82 of the corporation is primarily conducted.

83 (3) *Reasonable and necessary expenses incurred to*
84 *relocate corporate headquarters.* — The phrase "reason-
85 able and necessary expenses incurred to relocate corporate
86 headquarters" means only those expenses incurred and
87 paid by the corporation, to unrelated third parties, to move
88 its corporate headquarters and its corporate headquarters
89 employees to this state that are, upon application by the
90 corporation, determined by the tax commissioner to have
91 been both reasonable and necessary to effectuate the
92 move.

93 (4) *The corporation.* — For purposes of this sec-
94 tion, the term "the corporation" means the corporation for
95 which the corporate headquarters is relocated.

96 (f) *Effective date.* — The credit allowed by this
97 section as amended in the year one thousand nine
98 hundred ninety-eight shall be allowable for corporate
99 headquarters placed in service or use on or after the first
100 day of January, one thousand nine hundred ninety-eight.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.



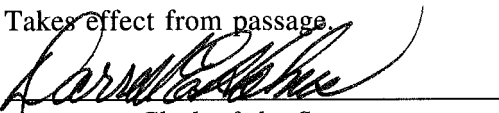
Chairman Senate Committee



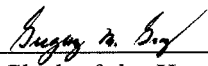
Chairman House Committee

Originating in the House.

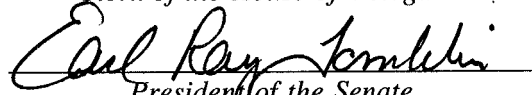
Takes effect from passage.




Clerk of the Senate



Clerk of the House of Delegates

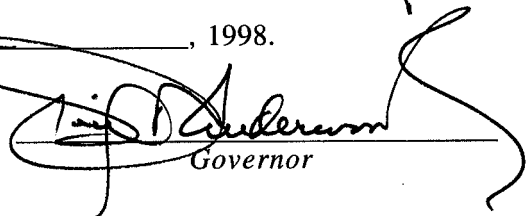


President of the Senate



Speaker of the House of Delegates

The within approved this the 7th
day of April, 1998.



Governor

PRESENTED TO THE

GOVERNOR

Date 4/6/98

Time 11:45am