WEST VIRGINIA CODE: §11-13AA-7

§11-13AA-7. Identification of a patent and required records.

(a) Required records. -- Every developer of a patent in this state for direct use in a manufacturing process or product and every person who uses a patent directly in a manufacturing process or product in this state who claims a credit under this article shall maintain sufficient records to establish the following facts for each item of a patent for which a credit is allowed under this article:

(1) Its identity;

(2) The amount of net profit attributable to the patent;

(3) The month and taxable year in which the patent was first used, placed in service or directly used in the person's manufacturing process or product in this state;

(4) The amount of credit taken; and

(5) The date the patent was disposed of or otherwise ceased to be directly used in the person's manufacturing process or product in this state.

(b) Enhanced credit. -- Any person who claims the enhanced credit under section four or five of this article shall maintain sufficient records to clearly establish entitlement to claim the amount of the enhanced credit. At a minimum those records shall identify:

(1) Each and every item of depreciable property purchased for purposes of claiming the enhanced credit;

(2) The date the depreciable property identified in subdivision (1) of this subsection was purchased, its cost and its estimated useful life determined using straight-line method of depreciation;

(3) The date the depreciable property identified in subdivision (1) of this subsection was placed in service or used in the person's business activity in this state;

(4) The date the depreciable property identified in subdivision (1) of this subsection was taken out of service or use in the person's business activity in this state and the reason why the property was taken out of service or use; and

(5) Other information that the Tax Commissioner may reasonably require by rule promulgated as provided in section eleven of this article.

(c) New jobs. -- Every person who claims a credit under this article shall also maintain sufficient records to establish the number and types of new jobs, if any created, the wages

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and benefits paid to employees filling the new jobs and the duration of each job.

(d) Exception. -- This section does not apply to an owner of a pass-through entity that develops or uses a patent for which a credit is allowed under this article.

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