WEST VIRGINIA CODE: §11-13D-5A

§11-13D-5a. Eligible investment for qualified housing development project.

(a) General. -- The eligible investment in a qualified housing development project shall be the sum of the applicable percentage of the cost of land and depreciable property purchased for the construction of a qualified housing development project, which is placed in service or use in this state during the taxable year.

(b) Applicable percentage of property. -- For the purpose of subsection (a), the applicable percentage for land and depreciable property shall be determined under the following table:

If useful life is: The applicable percentage is:

Less than 4 years 0

4 years or more but less than 6 years 33 1/3

6 years or more but less than 8 years 66 2/3

8 years or more 100

The useful life of any property for purposes of this section shall be determined as of the date such property is first placed in service or use in this state by the taxpayer, determined in accordance with federal income tax law.

(c) Cost of property. -- For purposes of subsection (a), the cost of each item of property purchased for the conduct of an eligible housing development project shall be determined under the following rules:

(1) Trade-ins. -- Cost shall not include the value of property given in trade or exchange for the property purchased for construction of a qualified housing development project.

(2) Damaged, destroyed or stolen property. -- If property is damaged or destroyed by fire, flood, storm or other casualty or is stolen, then the cost of replacement property shall not include any insurance proceeds received in compensation for the loss.

(3) Self-constructed property. -- In the case of self-constructed property, the cost thereof shall be the amount properly charged to the capital account for depreciation in accordance with federal income tax law.

(d) "Qualified housing development" or "qualified housing development project" means a residential housing development located in this state that contains five or more single-family contiguous residential housing units or multifamily residential housing units or multifamily residential buildings containing five or more residential housing units, which are

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contiguously located.

(e) "Residential housing unit" means any single-family dwelling or a single-family unit in a multifamily dwelling that is constructed for sale or lease to nontransients for use and occupancy as their primary permanent residence.

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