

# WEST VIRGINIA CODE: §11-13D-5B

## **§11-13D-5b. Qualified investment for a management information services facility.**

(a) General. -- The qualified investment in property purchased or leased for use as a component part of a management information services facility shall be the applicable percentage of the cost of each property purchased for a management information services facility, which is placed in service or use in this state, by the eligible taxpayer during the tax year as determined under this section.

(b) Applicable percentage. -- For the purposes of subsection (a), the applicable percentage for any property shall be determined under the following table:

If useful life or applicable The applicable

lease term is: percentage is:

3 yrs. or more but less than 6 yrs. 33-1/3%

6 yrs. or more but less than 8 yrs. 66-2/3%

8 yrs. or more 100%

The useful life of any property for purposes of this section shall be the actual economic useful life determined as of the date such property is first placed in service or use in this state by the taxpayer, determined for financial accounting purposes in accordance with generally accepted principles of accounting.

(c) Cost. -- For purposes of subsection (a), the cost of each property purchased for a management information services facility shall be the fair market value or the actual cost, whichever is less, and in no event shall the cost exceed the fair market value, furthermore the cost 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 a management information services facility.

(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) Rental property. -- The cost of tangible personal property acquired by lease for a primary lease term of three or more years shall be seventy-five percent of the rent reserved for the shorter of:

(A) The first ten years of the primary lease term; or

(B) The primary lease term.

Such cost of leased tangible personal property shall then be multiplied by the applicable percentage determined under subsection (b) of this section based upon the shorter of the first ten years of the primary lease term or the primary lease term in order to determine qualified investment in such leased property.

(4) Property purchased for multiple use. -- Investment in property purchased for use in a management information services facility together with some other use shall not qualify for purposes of this credit.

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

(6) Specific exclusions. --

(A) Investment in land or buildings, whether purchased or leased, shall not qualify for purposes of this management information services facility credit.

(B) Investment by purchase or lease in natural resources in place; and investment by purchase or lease in property, the cost or consideration for which cannot be quantified with any reasonable degree of accuracy at the time such property is placed in service or use, shall not qualify for purposes of this management information services facility credit.

(C) Investment in property purchased, or leased, or placed in service or use prior to April 1, 1991, or after March 31, 1993, shall not qualify for purposes of this management information services facility credit.

(D) Investment in property not purchased, or leased, either for the purpose of expanding an existing management information services facility in West Virginia pursuant to a national, regional or international relocation or consolidation of significant management information services in West Virginia; or for the purpose of establishing in this state a management information services facility that is new to West Virginia, shall not qualify for purposes of this management information services facility credit.