

# WEST VIRGINIA CODE: §11-13P-7

## §11-13P-7. Computation and application of credit.

(a) Credit resulting from premiums directly paid by persons who pay the tax imposed by section sixteen, article twenty-seven of this chapter. - The annual credit allowable under this article for eligible taxpayers other than payors described in subsection (b) of this section, shall be applied as a credit against the eligible taxpayer's state tax liability determined under section sixteen, article twenty-seven of this chapter, determined after application of all other allowable credits and exemptions.

(b) Credit for premiums directly paid by partners, members or shareholders of partnerships, limited liability companies, or corporations for or on behalf of such organizations; application of credit. -

(1) Qualification for credit.

(A) For purposes of this section the term "eligible taxpayer organization" means a partnership, limited liability company, or corporation that is an eligible taxpayer.

(B) For purposes of this section the term "payor" means a natural person who is a partner, member, shareholder or owner, in whole or in part, of an eligible taxpayer organization and who pays medical liability insurance premiums for or on behalf of the eligible taxpayer organization.

(C) Medical liability insurance premiums paid by a payor (as defined in this section) qualify for tax credit under this article, provided that such payments are made to insure against medical liabilities arising out of or resulting from physicians' services provided by a physician while practicing in service to or under the organizational identity of an eligible taxpayer organization or as an employee of such eligible taxpayer organization where such insurance covers the medical liability of:

(i) the eligible taxpayer organization, or

(ii) one or more physicians practicing in service to or under the organizational identity of the eligible taxpayer organization or as an employee of the eligible taxpayer organization, or

(iii) any combination thereof.

(2) Application of credit by the payor against health care provider tax on physician's services. - The annual credit allowable shall be applied to reduce the tax liability directly payable by the payor under section sixteen, article twenty-seven of this chapter, determined after application of all other allowable credits and exemptions.

(3) Application of credit by the eligible taxpayer organization against health care provider

tax on physician's services. - After application of this credit as provided in subdivision (2) of this subsection, remaining annual credit shall then be applied to reduce the tax liability directly payable by the eligible taxpayer organization under section sixteen, article twenty-seven of this chapter, determined after application of all other allowable credits and exemptions.

(4) Apportionment among multiple eligible taxpayer organizations. - Where a payor described in subdivision (1) of this subsection pays medical liability insurance premiums for and provides services to or under the organizational identity of two or more eligible taxpayer organizations described in this section or as an employee of two or more such eligible taxpayer organizations, the tax credit shall, for purposes of subdivision (3) of this subsection, be allocated among such eligible taxpayer organizations in proportion to the medical liability insurance premiums paid directly by the payor during the taxable year to cover physicians' services during such year for, or on behalf of, each eligible taxpayer organization. In no event may the total credit claimed by all eligible taxpayers and eligible taxpayer organizations exceed the credit which would be allowable if the payor had paid all such medical liability insurance premiums for or on behalf of one eligible taxpayer organization, and if all physician's services had been performed for, or under the organizational identity of, or by employees of, one eligible taxpayer organization.