WEST VIRGINIA CODE: §11-13T-7

§11-13T-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 to reduce the eligible taxpayer's annual tax liability imposed under section sixteen, article twenty-seven of this chapter, determined after application of the credit allowed under article thirteen-p of this chapter, if any, and after application of all other allowable credits, deductions and exemptions.

(b) Computation of 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. -- Combined annual medical liability insurance premiums paid by a payor (as defined in this article) qualify for tax credit under this article, provided that such payments are made to insure against medical malpractice 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, and where such insurance covers the medical malpractice liabilities or tail liabilities of:

(A) The eligible taxpayer organization; or

(B) 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

(C) Any combination thereof.

(2) Application of credit by the payor against health care provider tax on physician's services. -- The annual credit allowable under this article 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 the credit allowed under article thirteen-p of this chapter, if any, and after application of all other allowable credits, deductions 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 the credit allowed under article thirteen-p of this chapter, if any, and after application of all other allowable credits,

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deductions and exemptions.

(4) Apportionment among multiple eligible taxpayer organizations. -- Where a payor described in subdivision (1) of this subsection pays combined annual 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 combined annual 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 payors, eligible taxpayers and eligible taxpayer organizations exceed the credit which would be allowable if the payor had paid all such combined annual 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.

(c) Application of the credit allowed under this article in combination with all other applicable tax credits, exemptions and deductions shall in no event reduce the tax liability below zero, and shall in no circumstances be applied as a refundable tax credit, or result in a refundable tax credit.

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