WEST VIRGINIA CODE: §11-24-22A

§11-24-22a. Tax credit for value-added products from raw agricultural products; regulations; termination of credit.

(a) Effective for taxable years beginning July 1, 1997, notwithstanding any provisions of this code to the contrary, any new corporation engaged solely in the production of value-added products from raw agricultural products are allowed a credit, in the amount of $1,000 for each taxable year against the tax imposed by this article, for a period of five years from the date the person becomes subject to this article. The credit is allowed only against the tax on taxable income which is attributable to the production of value-added products.

(b) Effective for taxable years beginning July 1, 1997, any new corporation engaged solely in the production of value-added products in West Virginia is allowed a tax credit, according to the schedule herein, for every one hour spent by a new permanent, full-time employee training to learn a skill specific to the production of value-added products as defined in article twenty-one, chapter thirty-one of this code. The tax credit is allowed for a maximum of sixty hours, per company, per year.

(c) For purposes of this section, tax credits for hours spent by a new permanent, full-time employee in training is allowed as follows:

(1) Corporations which employ up to five new employees is allowed a tax credit of $2 for every one hour spent by a new employee in training as specified herein;

(2) Corporations which employ between six and twenty-five new employees are allowed a tax credit of $1.50 for every one hour spent by a new employee in training as specified herein;

(3) Corporations which employ between twenty-six and seventy-five new employees are allowed a tax credit of $1.25 for every one hour spent by a new employee in training as specified herein;

(4) Corporations which employ between seventy-six and one hundred and twenty-five new employees are allowed a tax credit of $1 for every one hour spent by a new employee in training as specified herein; and

(5) Corporations which employ more than one hundred twenty-five new employees are allowed a tax credit of 75¢ for every one hour spent by a new employee in training as specified herein.

(d) For purposes of this section, "value-added product" means the following products derived from processing a raw agricultural product, whether for human consumption or for other use. The following enterprises qualify as processing raw agricultural products into value-added products: (1) The conversion of lumber into furniture, toys, collectibles and home

WV Legislature

furnishings; (2) the conversion of fruit into wine; (3) the conversion of honey into wine; (4) the conversion of wool into fabric; (5) the conversion of raw hides into semifinished or finished leather products; (6) the conversion of milk into cheese; (7) the conversion of fruits or vegetables into a dried, canned or frozen product; (8) the conversion of feeder cattle into commonly acceptable marketable retail portions; (9) the conversion of aquatic animals into a dried, canned, cooked or frozen product; and (10) the conversion of poultry into a dried, canned, cooked or frozen product.

(e) The Tax Commissioner may propose rules for promulgation in accordance with the provisions of article three, chapter twenty-nine-a of this code as necessary to effectuate the purposes of this article.

(f) No credit is available to any taxpayer under this section subsequent to July 1, 2002: Provided, That taxpayers which have gained entitlement to the credit pursuant to the terms of this section prior to July 1, 2002, shall retain that entitlement and apply the credit in due course pursuant to the requirements and limitations of this section until the original five-year credit entitlement has been exhausted or otherwise terminated.

WV Legislature