

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1974



ENROLLED

HOUSE BILL No. 1364

(By ~~Mr.~~ *Originating in the Committee* on *Finance*)



PASSED March 8, 1974

In Effect Ninety Days From Passage



C 641

FILED IN THE OFFICE
EDGAR F. BELSKELL III
SECRETARY OF STATE
THIS DATE 3-28-74

1364

ENROLLED

H. B. 1364

[Passed March 8, 1974; in effect ninety days from passage.]

AN ACT to amend and reenact section two-b, article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the business and occupation tax, providing for the classification of business activities as manufacturing, compounding or preparing products; processing of food excepted.

Be it enacted by the Legislature of West Virginia:

That section two-b, article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

§11-13-2b. Manufacturing, compounding or preparing products; processing of food excepted.

1 Upon every person engaging or continuing within this state
2 in the business of manufacturing, compounding or preparing for
3 sale, profit, or commercial use, either directly or through the
4 activity of others in whole or part, any article or articles, sub-
5 stance or substances, commodity or commodities, or electric
6 power produced by public utilities or others and not taxed
7 under other provisions of this article, or newspaper pub-
8 lishing (including all gross income or proceeds of sale from
9 circulation and advertising), the amount of the tax to be
10 equal to the value of the article, substance, commodity or
11 electric power or newspaper, manufactured, compounded
12 or prepared for sale, as shown by the gross proceeds derived
13 from the sale thereof by the manufacturer or person com-
14 pounding or preparing the same, except as otherwise provided,

15 multiplied by a rate of eighty-eight one hundredths of one
16 percent. The measure of this tax is the value of the entire
17 product manufactured, compounded or prepared in this state
18 for sale, profit or commercial use, regardless of the place of
19 sale or the fact that deliveries may be made to points outside
20 the state. However, the dressing and processing of food
21 by a person, firm or corporation, which food is to be sold on
22 a wholesale basis by such person, firm or corporation shall
23 not be considered as manufacturing or compounding, but the
24 sale of these products on a wholesale basis shall be subject
25 to the same tax as is imposed on the business of selling at
26 wholesale as provided in section two-c.

27 It is further provided, however, that in those instances in
28 which the same person partially manufactures, compounds
29 or prepares products within this state and partially manu-
30 factures, compounds or prepares such products outside of
31 this state the measure of his tax under this section shall be that
32 proportion of the sale price of the product that the payroll cost
33 of manufacturing within this state bears to the entire payroll
34 cost of manufacturing the product; or, at the option of the
35 taxpayer, the measure of his tax under this section shall be
36 the proportion of the sales value of the articles that the cost
37 of operations in West Virginia bears to the full cost of manu-
38 facture of the articles.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

H. Daniel Darby
Chairman Senate Committee

Charles C. Chute, Jr.
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Haward W. Carson
Clerk of the Senate

U. A. Blankenship
Clerk of the House of Delegates

H. P. Brotherton, Jr.
President of the Senate

Lewis G. Mahone
Speaker House of Delegates

The within approved this the 26th
day of March, 1974.

Archie P. Moore, Jr.
Governor

PRESENTED TO THE
GOVERNOR

Date 3/15/74

Time 2:50 p.m.