

APPROVED AND SIGNED BY THE GOVERNOR

Date 4-14-82

WEST VIRGINIA LEGISLATURE
FIRST EXTRAORDINARY SESSION, 1982



ENROLLED

SENATE BILL NO. 2

(By Mr. McGraw, Mr. President)



PASSED April 3, 1982

In Effect from Passage



ENROLLED
Senate Bill No. 2

(BY MR. MCGRAW, MR. PRESIDENT)

[Passed April 3, 1982; in effect 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 exemption from business and occupation tax for the value of electricity generated and used or consumed in a business activity taxable under section two-b.

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:

ARTICLE 13. BUSINESS AND OCCUPATION TAX.

§11-13-2b. Manufacturing, compounding or preparing products; processing of food; exception of generated or produced electric power by public utilities or others; treatment accorded electricity generated by manufacturers for own use; valuation of timber products.

1 Upon every person engaging or continuing within this state
2 in the business of manufacturing, compounding or preparing
3 for sale, profit, or commercial use, either directly or through
4 the activity of others in whole or in part, any article or articles,
5 substance or substances, commodity or commodities, or
6 newspaper publishing (including all gross income or
7 proceeds of sale from circulation and advertising), except
8 electric power produced by public utilities or others, the

9 amount of the tax to be equal to the value of the article,
10 substance, commodity or newspaper, manufactured,
11 compounded or prepared for sale, as shown by the gross
12 proceeds derived from the sale thereof by the manufacturer
13 or person compounding or preparing the same, except as
14 otherwise provided, multiplied by a rate of eighty-eight
15 one-hundredths of one percent. The measure of this tax is the
16 value of the entire product manufactured, compounded or
17 prepared in the state for sale, profit or commercial use,
18 regardless of the place of sale or the fact that deliveries may
19 be made to points outside the state. The value of electricity
20 generated by persons taxed under the provisions of this
21 section, which electricity is directly used by such persons in
22 the business of manufacturing and not sold or otherwise
23 transferred or transmitted to others, shall be exempt from the
24 imposition of any tax under this article. With respect to the
25 manufacturing, compounding or preparing for sale of timber
26 or timber products, the measure of this tax is the value of the
27 entire timber product manufactured, compounded or
28 prepared in the state for sale, profit or commercial use,
29 regardless of the place of sale or the fact that deliveries may
30 be made to points outside the state but such value shall not
31 include the value of any timber or timber products used as
32 ingredients, components, or elements of such timber
33 products. The dressing and processing of food by a person,
34 firm or corporation, which food is to be sold on a wholesale
35 basis by such person, firm or corporation shall not be
36 considered as manufacturing or compounding, but the sale of
37 these products on a wholesale basis shall be subject to the
38 same tax as is imposed on the business of selling at wholesale
39 as provided in section two-c.

40 It is further provided, however, that in those instances in
41 which the same person partially manufactures, compounds
42 or prepares products within this state and partially
43 manufactures, compounds or prepares such products outside
44 of this state the measure of his tax under this section shall be
45 that proportion of the sale price of the product that the
46 payroll cost of manufacturing within this state bears to the
47 entire payroll cost of manufacturing the product; or, at the
48 option of the taxpayer, the measure of his tax under this
49 section shall be the proportion of the sales value of the
50 articles that the cost of operations in West Virginia bears to
51 the full cost of manufacture of the articles.

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

R. P. Bayler

Chairman Senate Committee

Jerry E. Whitlow

Chairman House Committee

Originated in the Senate.

To take effect from passage.

Jodd C. Willis

Clerk of the Senate

V. Blankenship

Clerk of the House of Delegates

Warren R. McBratton

President of the Senate

W. M. Lee, Jr.

Speaker House of Delegates

The within *is approved* this the *14*
day of *April*, 1982.

[Signature]

Governor



RECEIVED
APR 8 1 14 PM '82
OFFICE OF THE GOVERNOR

RECEIVED

82 APR 16 P 5:47

OFFICE
SECY. OF STATE