

No: 310

APPROVED AND SIGNED BY THE GOVERNOR

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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1983

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ENROLLED

*Committee Substitute for*  
SENATE BILL NO. 310

(By Mr. *McGraw, Jr. President*)

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PASSED *March 12,* 1983

In Effect *from* Passage



**ENROLLED**  
**COMMITTEE SUBSTITUTE**  
**FOR**  
**Senate Bill No. 310**

(MR. MCGRAW, MR. PRESIDENT, *original sponsor*)

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[Passed March 12, 1983; in effect from passage.]

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AN ACT to amend and reenact sections two, two-k, three and three-b, article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended; to amend and reenact sections three, four-c, four-d, sixteen and seventy-one, article twenty-one of said chapter eleven; to amend said article twenty-one by adding thereto a new section, designated section four-e; to amend and reenact sections four and nine, article twenty-four of said chapter eleven; and to further amend said article twenty-four by adding thereto three new sections, designated sections four-a, ten and seventeen-a, all relating to taxation on account of business and other activities on personal income, corporation net income, gross income and gross values; providing for the transitional reduction of business and occupation tax during five-year period beginning the first day of July, one thousand nine hundred eighty-five through June thirtieth, one thousand nine hundred ninety, and exception; providing for temporary surtax on redefined gross income of persons engaged in banking or financial business; increasing business and occupation tax annual exemption; amending definitions; providing for increase in personal income tax rate brackets above specified level; providing for temporary surtax on

personal income in certain brackets; establishing minimum tax on personal income; creating separate classification and rate tables for heads of households; providing for effect of any rate changes during taxable year; increasing the amount of the West Virginia personal income tax exemption and providing for withholding conformity therewith; changing corporation net income tax rate and providing for two-rate brackets; imposing temporary surtax on corporations net income; providing for effect of any rate changes during taxable year; reducing amount of business and occupation tax or carrier tax credits applicable against corporation net income tax liability; providing for taxpayer, at his option, to elect full deduction of such tax liabilities in lieu of credit; providing a credit to manufacturing employers for hiring qualified employees during specified period, amount of credit and period thereof, limitations thereon and definitions thereof; and providing for application of interest to underpayments of tax or estimated tax.

*Be it enacted by the Legislature of West Virginia:*

That sections two, two-k, three and three-b, article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; that sections three, four-c, four-d, sixteen and seventy-one, article twenty-one of said chapter eleven be amended and reenacted; that said article twenty-one be further amended by adding thereto a new section, designated section four-e; that sections four and nine, article twenty-four of said chapter eleven, be amended and reenacted; and that said article twenty-four be further amended by adding thereto three new sections, designated sections four-a, ten and seventeen-a, all to read as follows:

## **CHAPTER 11. TAXATION.**

### **ARTICLE 13. BUSINESS AND OCCUPATION TAX.**

**§11-13-2. Imposition of privilege tax; transitional reduction, across-the-board, of tax during five-year period July one, one thousand nine hundred eighty-five through June thirtieth, one thousand nine hundred ninety.**

- 1 There is hereby levied and shall be collected annual
- 2 privilege taxes against the persons, on account of the

3 business and other activities, and in the amounts to be  
4 determined by the application of rates against values or  
5 gross income as set forth in sections two-a to two-m  
6 inclusive, of this article and the application of the surtax  
7 rate against gross income as set forth in section two-k.

8 During the five-year period, beginning on the first day of  
9 July, one thousand nine hundred eighty-five and through  
10 the thirtieth day of June, one thousand nine hundred ninety,  
11 the taxes imposed by this section and at the rates set forth in  
12 sections two-a through two-m, and the surtax imposed in  
13 section two-k, shall be reduced by five percent for each year  
14 thereof through reduction of the rates applicable and in  
15 effect on the first day of July, one thousand nine hundred  
16 eighty-five: *Provided*, That there shall be no such reduction  
17 of the tax imposed in section two-l for the use and benefit of  
18 counties and municipalities.

19 If any person liable for any tax under sections two-a,  
20 two-l or two-m shall ship or transport his products or any  
21 part thereof out of the state without making sale of such  
22 products, the value of the products in the condition or form  
23 in which they exist immediately before transportation out  
24 of the state shall be the basis for the assessment of the tax  
25 imposed in said section, except in those instances in which  
26 another measure of the tax is expressly provided. The tax  
27 commissioner shall prescribe equitable and uniform rules  
28 for ascertaining such value.

29 In determining value, however, as regards sales from one  
30 to another of affiliated companies or persons, or under  
31 other circumstances where the relation between the buyer  
32 and seller is such that the gross proceeds from the sale are  
33 not indicative of the true value of the subject matter of the  
34 sale, the tax commissioner shall prescribe uniform and  
35 equitable rules for determining the value upon which such  
36 privilege tax shall be levied, corresponding as nearly as  
37 possible to the gross proceeds from the sale of similar  
38 products of like quality or character where no common  
39 interest exists between the buyer and seller but the  
40 circumstances and conditions are otherwise similar.

41 Gross income included in the measure of the tax under  
42 sections two-a, two-b, two-l and two-m of this article shall  
43 neither be added nor deducted in computing the tax levied  
44 under the other sections of this article.

45 A person exercising any privilege taxable under section  
46 two-a, two-b, two-l or two-m of this article and engaging in  
47 the business of selling his natural resources, manufactured  
48 products or electricity at retail in this state shall be required  
49 to make returns of the gross proceeds of such retail sales and  
50 pay the tax imposed in section two-c of this article for the  
51 privilege of engaging in the business of selling such natural  
52 resources, manufactured products or electricity at retail in  
53 this state. But any person exercising any privilege taxable  
54 under section two-a, two-b, two-l or two-m of this article  
55 and engaging in the business of selling his natural  
56 resources, manufactured products or electricity to  
57 producers of natural resources, manufacturers,  
58 wholesalers, jobbers, retailers or commercial consumers for  
59 use or consumption in the purchaser's business shall not be  
60 required to pay the tax imposed in section two-c of this  
61 article.

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62 Persons exercising any privilege taxable under section  
63 two-b or two-m of this article shall not be required to pay  
64 the tax imposed in section two-c of this article for the  
65 privilege of selling their manufactured products or  
66 electricity for delivery outside of this state, but the gross  
67 income derived from the sale of such products or electricity  
68 outside of this state shall be included in determining the  
69 measure of the tax imposed on such person in section two-b  
70 or two-m.

71 A person exercising privileges taxable under the other  
72 sections of this article, producing coal, oil, natural gas,  
73 minerals, timber or other natural resource products, the  
74 production of which is taxable under sections two-a and  
75 two-l, and using or consuming the same in his business or  
76 transferring or delivering the same as any royalty payment,  
77 in kind, or the like, shall be deemed to be engaged in the  
78 business of mining and producing coal, oil, natural gas,  
79 minerals, timber or other natural resource products for sale,  
80 profit or commercial use, and shall be required to make  
81 returns on account of the production of the business  
82 showing the gross proceeds or equivalent in accordance  
83 with uniform and equitable rules for determining the value  
84 upon which such privilege tax shall be levied,  
85 corresponding as nearly as possible to the gross proceeds  
86 from the sale of similar products of like quality or character

87 by other taxpayers, which rules the tax commissioner shall  
88 prescribe.

**§11-13-2k. Banking and other financial business; rate of tax;  
additional, temporary surtax imposed and  
period thereof; legislative findings.**

1 Upon every person engaging or continuing within this  
2 state in the business of banking or financial business, from  
3 and after the first day of April, one thousand nine hundred  
4 seventy-one, the tax shall be equal to one and fifteen one-  
5 hundredths percent of the gross income received from  
6 interest, premiums, discounts, dividends, service fees or  
7 charges, commissions, fines, rents from real or tangible  
8 personal property, however denominated, royalties,  
9 charges for bookkeeping or data processing, receipts from  
10 check sales, charges or fees, and receipts from the sale of  
11 tangible personal property: *Provided*, That gross income  
12 shall not include (a) interest received on the obligations of  
13 the United States, its agencies and instrumentalities, (b)  
14 interest received on the obligations of this state, or any  
15 political subdivision of this state, or (c) interest received on  
16 investments or loans primarily secured by first mortgages  
17 or deeds of trust on residential property occupied by  
18 nontransients: *Provided, however*, That all interest derived  
19 on activities exempt under (c) above, shall be reported, as to  
20 amounts, on the return of a person taxable under the  
21 provisions of this section.

22 In addition to the primary tax hereinabove, there is  
23 hereby imposed an additional, temporary surtax of fifteen  
24 percent of such primary tax liability and with such primary  
25 tax and additional tax, the temporary surtax, together, to  
26 constitute the tax imposed by this section. Such additional,  
27 temporary surtax is imposed for the period on and after the  
28 first day of June, one thousand nine hundred eighty-three  
29 and to expire, be nullified and of no further force or effect  
30 whatsoever after the thirtieth day of June, one thousand  
31 nine hundred eighty-five.

32 Persons taxed pursuant to the provisions of this section  
33 shall not be taxed under sections two-a to two-j, inclusive,  
34 or section two-l or two-m of this article.

35 The Legislature hereby finds and declares that it is the  
36 intent of the Legislature to subject national banking  
37 associations and other financial organizations to the tax

38 imposed by this article, in accordance with the  
39 authorization contained in section five thousand two  
40 hundred nineteen of the Revised Statutes of the United  
41 States as amended by Public Law 91-156 enacted the  
42 twenty-fourth day of December, one thousand nine  
43 hundred sixty-nine.

**§11-13-3. Exemptions; transitional increase of annual exemption and periods thereof.**

1 For any tax imposed under the provisions of this article  
2 with respect to any period prior to the first day of July, one  
3 thousand nine hundred eighty-three, there shall be an  
4 exemption in every case of fifty dollars in amount of tax  
5 computed under the provisions of this article. A person  
6 exercising a privilege taxable hereunder for a fractional  
7 part of a tax year shall be entitled to an exemption of the  
8 sum bearing the proportion to fifty dollars that the period of  
9 time the privilege is exercised bears to a whole year. Only  
10 one exemption shall be allowed to any one person, whether  
11 he exercises one or more privileges taxable hereunder.

12 For any tax imposed under the provisions of this article  
13 with respect to (a) the period beginning on and after the first  
14 day of July, one thousand nine hundred eighty-three and  
15 through the thirtieth day of June, one thousand nine  
16 hundred eighty-four, there shall be an exemption in every  
17 case of twenty-five dollars per month; (b) the period  
18 beginning on and after the first day of July, one thousand  
19 nine hundred eighty-four and through the thirtieth day of  
20 June, one thousand nine hundred eighty-five, there shall be  
21 an exemption in every case of thirty-three dollars and  
22 thirty-three cents per month; and (c) the period beginning  
23 on or after the first day of July, one thousand nine hundred  
24 eighty-five, there shall be an exemption in every case of  
25 forty-one dollars and sixty-seven cents per month in  
26 amount of tax computed under the provisions of this article.  
27 Only one exemption shall be allowed to any one person,  
28 whether he exercises one or more privileges taxable  
29 hereunder.

30 The provisions of this article shall not apply to: (a)  
31 Insurance companies which pay the state of West Virginia a  
32 tax upon premiums: *Provided*, That said exemption shall  
33 not extend to that part of the gross income of insurance

34 companies which is received for the use of real property,  
 35 other than property in which any such company maintains  
 36 its office or offices, in this state, whether such income be in  
 37 the form of rentals or royalties; (b) nonprofit cemetery  
 38 companies organized and operated for the exclusive benefit  
 39 of their members; (c) fraternal societies, organizations and  
 40 associations organized and operated for the exclusive  
 41 benefit of their members and not for profit: *Provided*, That  
 42 said exemption shall not extend to that part of the gross  
 43 income arising from the sale of alcoholic liquor, food and  
 44 related services, of such fraternal societies, organizations  
 45 and associations which are licensed as private clubs under  
 46 the provisions of article seven, chapter sixty of this code; (d)  
 47 corporations, associations and societies organized and  
 48 operated exclusively for religious or charitable purposes;  
 49 (e) production credit associations, organized under the  
 50 provisions of the federal "Farm Credit Act of 1933"; (f) any  
 51 credit union organized under the provisions of chapter  
 52 thirty-one, or any other chapter of this code: *Provided*, That  
 53 the exemptions of this section shall not apply to  
 54 corporations or cooperative associations organized under  
 55 the provisions of article four, chapter nineteen of this code;  
 56 (g) gross income derived from advertising service rendered  
 57 in the business of radio and television broadcasting; and (h)  
 58 the gross income or gross proceeds of sale of a gasification  
 59 or liquefaction of coal project in the demonstration, pilot or  
 60 research stages: *Provided*, That prior to the commencement  
 61 or operation of any such project, the tax commissioner shall  
 62 have first certified the project as eligible for such  
 63 exemption: *Provided, however*, That such exemption shall  
 64 expire seven years from the date the project first receives  
 65 gross income or gross proceeds from sales.

**§11-13-3b. Definitions; reduction allowed in tax due; how  
 computed.**

1 When used in this section, the phrase "normal tax" means  
 2 the tax computed by the application of rates against values  
 3 or gross incomes as set forth in sections two-a to two-m,  
 4 inclusive, in this article, less the amount of the annual  
 5 exemption for the period actually engaged in business.  
 6 The normal tax shall be computed by the application of  
 7 rates against values or gross income as set forth in sections  
 8 two-a to two-m, inclusive, of this article, less the amount of



9 the annual exemption allowed and determined under  
10 section three of this article.

11 The surtax shall be computed by the application of the  
12 surtax rate against gross income as set forth in section  
13 two-k of this article.

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-3. Imposition of tax; additional, temporary surtax  
imposed; and effective and termination dates;  
minimum tax; persons subject to tax.**

1 (a) *Imposition of tax.*

2 (1) *Primary tax.*—A tax determined in accordance with  
3 the rates hereinafter set forth in this article is hereby  
4 imposed for each taxable year on the West Virginia taxable  
5 income of every individual, estate and trust.

6 (2) *Temporary surtax.*—In addition to the primary tax  
7 imposed upon the persons, for the periods, on West Virginia  
8 taxable income, and at the rates, as aforesaid, there is  
9 hereby imposed an additional tax, a temporary surtax, of  
10 twelve percent of such determined primary tax liability for  
11 individuals and heads of household with West Virginia  
12 taxable income in excess of ten thousand dollars and for  
13 those filing a joint return with West Virginia taxable  
14 income in excess of twenty thousand dollars; and with such  
15 primary tax and additional tax, the temporary surtax,  
16 together with the minimum tax herein, to constitute the tax  
17 imposed by this section and under this article.

18 (3) *Minimum tax.*—In addition to the primary tax and  
19 the temporary surtax imposed by this section, there is  
20 imposed a minimum tax, which shall be the excess, if any,  
21 by which an amount equal to twenty-five percent of any  
22 federal minimum tax or alternative minimum tax for the  
23 taxable year exceeds the sum of the primary tax and the  
24 temporary surtax imposed by this section for the taxable  
25 year.

26 (4) *Effective date.*—The additional tax, the temporary  
27 surtax herein imposed, and the minimum tax herein  
28 imposed are hereby made effective on and after the first day  
29 of April, one thousand nine hundred eighty-three.  
30 *Provided*, That the temporary surtax shall expire, be  
31 nullified and of no further force or effect whatsoever after  
32 the thirtieth day of June, one thousand nine hundred

33 eighty-five. Section four-e of this article, applicable to the  
 34 effect of any rate changes during a taxable year shall be  
 35 construed to include and also be applicable to the surtax  
 36 imposed in this section or any change of surtax hereafter  
 37 during a taxable year.

38 (b) *Partners and partnerships.*—A partnership as such  
 39 shall not be subject to tax under this article. Persons  
 40 carrying on business as partners shall be liable for tax  
 41 under this article only in their separate or individual  
 42 capacities.

43 (c) *Associations taxable as corporations.*—An  
 44 association, trust or other unincorporated organization  
 45 which is taxable as a corporation for federal income tax  
 46 purposes, shall not be subject to tax under this article.

47 (d) *Exempt trusts and organizations.*—A trust or other  
 48 unincorporated organization which by reason of its  
 49 purposes or activities is exempt from federal income tax  
 50 shall be exempt from tax under this article (regardless of  
 51 whether subject to federal income tax on unrelated business  
 52 taxable income).

53 (e) *Cross references.*—For definitions of West Virginia  
 54 taxable income of:

- 55 (1) Resident individual, see section eleven.
- 56 (2) Resident estate or trust, see section eighteen.
- 57 (3) Nonresident individual, see section thirty-one.
- 58 (4) Nonresident estate or trust, see section thirty-eight.

**§11-21-4c. Rate of tax — taxable periods beginning on or after  
 January 1, 1971 and ending before April 1, 1983.**

1 (a) *Rate of tax on individuals, heads of households,*  
 2 *estates and trusts.*—The tax imposed by section three of this  
 3 article on the West Virginia taxable income of every  
 4 individual, every individual who is a head of a household in  
 5 the determination of his federal income tax for the taxable  
 6 year, and every estate and trust shall be determined in  
 7 accordance with the following table:

8	If the West Virginia taxable	
9	income is:	The tax is:
10	Not over \$2,000.....	2.1% of the taxable income
11	Over \$2,000 but not over \$4,000 .....	\$42.00, plus 2.3% of excess over \$2,000
12	Over \$4,000 but not over \$6,000 .....	\$88.00, plus 2.8% of excess over \$4,000
13	Over \$6,000 but not over \$8,000 .....	\$144.00, plus 3.2% of excess over \$6,000
14	Over \$8,000 but not over \$10,000 .....	\$208.00, plus 3.5% of excess over \$8,000
15	Over \$10,000 but not over \$12,000 .....	\$278.00, plus 4.0% of excess over \$10,000
16	Over \$12,000 but not over \$14,000 .....	\$358.00, plus 4.6% of excess over \$12,000
17	Over \$14,000 but not over \$16,000 .....	\$450.00, plus 4.9% of excess over \$14,000
18	Over \$16,000 but not over \$18,000 .....	\$548.00, plus 5.3% of excess over \$16,000
19	Over \$18,000 but not over \$20,000 .....	\$654.00, plus 5.4% of excess over \$18,000
20	Over \$20,000 but not over \$22,000 .....	\$762.00, plus 6.0% of excess over \$20,000
21	Over \$22,000 but not over \$26,000 .....	\$882.00, plus 6.1% of excess over \$22,000
22	Over \$26,000 but not over \$32,000 .....	\$1,126.00, plus 6.5% of excess over \$26,000
23	Over \$32,000 but not over \$38,000 .....	\$1,516.00, plus 6.8% of excess over \$32,000
24	Over \$38,000 but not over \$44,000 .....	\$1,924.00, plus 7.2% of excess over \$38,000
25	Over \$44,000 but not over \$50,000 .....	\$2,356.00, plus 7.5% of excess over \$44,000
26	Over \$50,000 but not over \$60,000 .....	\$2,806.00, plus 7.9% of excess over \$50,000
27	Over \$60,000 but not over \$70,000 .....	\$3,596.00, plus 8.2% of excess over \$60,000
28	Over \$70,000 but not over \$80,000 .....	\$4,416.00, plus 8.6% of excess over \$70,000
29	Over \$80,000 but not over \$90,000 .....	\$5,276.00, plus 8.8% of excess over \$80,000
30	Over \$90,000 but not over \$100,000 .....	\$6,156.00, plus 9.1% of excess over \$90,000
31	Over \$100,000 but not over \$150,000 .....	\$7,066.00, plus 9.3% of excess over \$100,000
32	Over \$150,000 but not over \$200,000 .....	\$11,716.00, plus 9.5% of excess over \$150,000
33	Over \$200,000 .....	\$16,466.00, plus 9.6% of excess over \$200,000

34 (b) *Rate of tax in case of joint return or return of*  
35 *surviving spouse.*—In the case of a joint return of a husband  
36 and wife and the return of an individual who is entitled to  
37 file his federal income tax return for the taxable year as a  
38 surviving spouse, the tax imposed by section three of this  
39 article on the West Virginia taxable income shall be  
40 determined in accordance with the following table:

41	If the West Virginia taxable	
42	income is:	The tax is:
43	Not over \$4,000.....	2.1% of the taxable income
44	Over \$4,000 but not over \$8,000 .....	\$84.00, plus 2.3% of excess of over \$4,000
45	Over \$8,000 but not over \$12,000 .....	\$176.00, plus 2.8% of excess of over \$8,000
46	Over \$12,000 but not over \$16,000 .....	\$288.00, plus 3.2% of excess over \$12,000
47	Over \$16,000 but not over \$20,000 .....	\$416.00, plus 3.5% of excess over \$16,000
48	Over \$20,000 but not over \$24,000 .....	\$556.00, plus 4.0% of excess over \$20,000
49	Over \$24,000 but not over \$28,000 .....	\$716.00, plus 4.6% of excess over \$24,000
50	Over \$28,000 but not over \$32,000 .....	\$900.00, plus 4.9% of excess over \$28,000
51	Over \$32,000 but not over \$36,000 .....	\$1,096.00, plus 5.3% of excess over \$32,000
52	Over \$36,000 but not over \$40,000 .....	\$1,308.00, plus 5.4% of excess over \$36,000
53	Over \$40,000 but not over \$44,000 .....	\$1,524.00, plus 6.0% of excess over \$40,000
54	Over \$44,000 but not over \$52,000 .....	\$1,764.00, plus 6.1% of excess over \$44,000
55	Over \$52,000 but not over \$64,000 .....	\$2,252.00, plus 6.5% of excess over \$52,000
56	Over \$64,000 but not over \$76,000 .....	\$3,032.00, plus 6.8% of excess over \$64,000
57	Over \$76,000 but not over \$88,000 .....	\$3,848.00, plus 7.2% of excess over \$76,000
58	Over \$88,000 but not over \$100,000 .....	\$4,712.00, plus 7.5% of excess over \$88,000
59	Over \$100,000 but not over \$120,000 .....	\$5,612.00, plus 7.9% of excess over \$100,000
60	Over \$120,000 but not over \$140,000 .....	\$7,192.00, plus 8.2% of excess over \$120,000
61	Over \$140,000 but not over \$160,000 .....	\$8,832.00, plus 8.6% of excess over \$140,000
62	Over \$160,000 but not over \$180,000 .....	\$10,552.00, plus 8.8% of excess over \$160,000
63	Over \$180,000 but not over \$200,000 .....	\$12,312.00, plus 9.1% of excess over \$180,000
64	Over \$200,000 but not over \$300,000 .....	\$14,132.00, plus 9.3% of excess over \$200,000
65	Over \$300,000 but not over \$400,000 .....	\$23,432.00, plus 9.5% of excess over \$300,000
66	Over \$400,000 .....	\$32,932.00, plus 9.6% of excess over \$400,000

67 (c) *Applicability of this section.*—The provisions of this  
68 section shall be applicable in determining the rate of tax  
69 imposed by this article for all taxable years or portions  
70 thereof beginning on or after the first day of January, one  
71 thousand nine hundred seventy-one, and ending before the  
72 first day of April, one thousand nine hundred eighty-three.

**§11-21-4d. Rate of tax — taxable periods beginning on or after  
April 1, 1983.**

1 (a) *Rate of tax on individuals, estates and trusts.*—The tax  
2 imposed by section three of this article on the West Virginia  
3 taxable income of every individual, and every estate and  
4 trust shall be determined in accordance with the following  
5 table:

6	If the West Virginia taxable	
7	income is:	The tax is:
8	Not over \$2,000.....	2.1% of the taxable income
9	Over \$2,000 but not over \$4,000 .....	\$42.00, plus 2.3% of excess over \$2,000
10	Over \$4,000 but not over \$6,000 .....	\$88.00, plus 2.8% of excess over \$4,000
11	Over \$6,000 but not over \$8,000 .....	\$144.00, plus 3.2% of excess over \$6,000
12	Over \$8,000 but not over \$10,000 .....	\$208.00, plus 3.5% of excess over \$8,000
13	Over \$10,000 but not over \$12,000 .....	\$278.00, plus 4.0% of excess over \$10,000
14	Over \$12,000 but not over \$14,000 .....	\$358.00, plus 5.3% of excess over \$12,000
15	Over \$14,000 but not over \$16,000 .....	\$464.00, plus 5.9% of excess over \$14,000
16	Over \$16,000 but not over \$18,000 .....	\$582.00, plus 6.8% of excess over \$16,000
17	Over \$18,000 but not over \$20,000 .....	\$718.00, plus 7.4% of excess over \$18,000
18	Over \$20,000 but not over \$22,000 .....	\$866.00, plus 8.2% of excess over \$20,000
19	Over \$22,000 but not over \$26,000 .....	\$1,030.00, plus 9.2% of excess over \$22,000
20	Over \$26,000 but not over \$32,000 .....	\$1,398.00, plus 10.5% of excess over \$26,000
21	Over \$32,000 but not over \$38,000 .....	\$2,028.00, plus 11.6% of excess over \$32,000
22	Over \$38,000 but not over \$44,000 .....	\$2,724.00, plus 12.6% of excess over \$38,000
23	Over \$44,000 but not over \$50,000 .....	\$3,480.00, plus 12.9% of excess over \$44,000
24	Over \$50,000 but not over \$60,000 .....	\$4,254.00, plus 12.9% of excess over \$50,000
25	Over \$60,000 but not over \$70,000 .....	\$5,544.00, plus 13.0% of excess over \$60,000
26	Over \$70,000 but not over \$80,000 .....	\$6,844.00, plus 13.0% of excess over \$70,000
27	Over \$80,000 but not over \$90,000 .....	\$8,144.00, plus 13.0% of excess over \$80,000
28	Over \$90,000 but not over \$100,000 .....	\$9,444.00, plus 13.0% of excess over \$90,000
29	Over \$100,000 but not over \$150,000 .....	\$10,744.00, plus 13.0% of excess over \$100,000
30	Over \$150,000 but not over \$200,000 .....	\$17,244.00, plus 13.0% of excess over \$150,000
31	Over \$200,000 .....	\$23,744.00, plus 13.0% of excess over \$200,000

32 (b) *Rate of tax on heads of households.*—The tax  
33 imposed by section three of this article, on the West Virginia  
34 taxable income of every individual who is a head of a  
35 household in the determination of his federal income tax for  
36 the taxable year, shall be determined in accordance with  
37 the following table:



38 If the West Virginia taxable

39 income is:

The tax is:

40 Not over \$2,000.....	2.1% of the taxable income
41 Over \$2,000 but not over \$4,000 .....	\$42.00, plus 2.3% of excess over \$2,000
42 Over \$4,000 but not over \$6,000 .....	\$88.00, plus 2.8% of excess over \$4,000
43 Over \$6,000 but not over \$8,000 .....	\$144.00, plus 3.2% of excess over \$6,000
44 Over \$8,000 but not over \$10,000 .....	\$208.00, plus 3.5% of excess over \$8,000
45 Over \$10,000 but not over \$12,000 .....	\$278.00, plus 3.8% of excess over \$10,000
46 Over \$12,000 but not over \$14,000 .....	\$354.00, plus 4.7% of excess over \$12,000
47 Over \$14,000 but not over \$16,000 .....	\$448.00, plus 5.3% of excess over \$14,000
48 Over \$16,000 but not over \$18,000 .....	\$554.00, plus 6.1% of excess over \$16,000
49 Over \$18,000 but not over \$20,000 .....	\$676.00, plus 6.6% of excess over \$18,000
50 Over \$20,000 but not over \$22,000 .....	\$808.00, plus 7.4% of excess over \$20,000
51 Over \$22,000 but not over \$26,000 .....	\$956.00, plus 8.2% of excess over \$22,000
52 Over \$26,000 but not over \$32,000 .....	\$1,284.00, plus 9.5% of excess over \$26,000
53 Over \$32,000 but not over \$38,000 .....	\$1,854.00, plus 10.4% of excess over \$32,000
54 Over \$38,000 but not over \$44,000 .....	\$2,478.00, plus 11.4% of excess over \$38,000
55 Over \$44,000 but not over \$50,000 .....	\$3,162.00, plus 11.6% of excess over \$44,000
56 Over \$50,000 but not over \$60,000 .....	\$3,858.00, plus 11.6% of excess over \$50,000
57 Over \$60,000 but not over \$70,000 .....	\$5,018.00, plus 11.7% of excess over \$60,000
58 Over \$70,000 but not over \$80,000 .....	\$6,188.00, plus 13.0% of excess over \$70,000
59 Over \$80,000 but not over \$90,000 .....	\$7,488.00, plus 13.0% of excess over \$80,000
60 Over \$90,000 but not over \$100,000 .....	\$8,788.00, plus 13.0% of excess over \$90,000
61 Over \$100,000 but not over \$150,000 .....	\$10,088.00, plus 13.0% of excess over \$100,000
62 Over \$150,000 but not over \$200,000 .....	\$16,588.00, plus 13.0% of excess over \$150,000
63 Over \$200,000 .....	\$23,088.00, plus 13.0% of excess over \$200,000

64 (c) *Rate of tax in case of joint return or return of*  
65 *surviving spouse.*—In the case of a joint return of a husband  
66 and wife and the return of an individual who is entitled to  
67 file his federal income tax return for the taxable year as a  
68 surviving spouse, the tax imposed by section three of this  
69 article on the West Virginia taxable income shall be  
70 determined in accordance with the following table:

71 If the West Virginia taxable

72 income is:

The tax is:

73 Not over \$4,000.....	2.1% of the taxable income
74 Over \$4,000 but not over \$8,000 .....	\$84.00, plus 2.3% of excess of over \$4,000
75 Over \$8,000 but not over \$12,000 .....	\$176.00, plus 2.8% of excess of over \$8,000
76 Over \$12,000 but not over \$16,000 .....	\$288.00, plus 3.2% of excess over \$12,000
77 Over \$16,000 but not over \$20,000 .....	\$416.00, plus 3.5% of excess over \$16,000
78 Over \$20,000 but not over \$24,000 .....	\$556.00, plus 4.0% of excess over \$20,000
79 Over \$24,000 but not over \$28,000 .....	\$716.00, plus 5.3% of excess over \$24,000
80 Over \$28,000 but not over \$32,000 .....	\$928.00, plus 5.9% of excess over \$28,000
81 Over \$32,000 but not over \$36,000 .....	\$1,164.00, plus 6.8% of excess over \$32,000
82 Over \$36,000 but not over \$40,000 .....	\$1,436.00, plus 7.4% of excess over \$36,000
83 Over \$40,000 but not over \$44,000 .....	\$1,732.00, plus 8.2% of excess over \$40,000
84 Over \$44,000 but not over \$52,000 .....	\$2,060.00, plus 9.2% of excess over \$44,000
85 Over \$52,000 but not over \$64,000 .....	\$2,796.00, plus 10.5% of excess over \$52,000
86 Over \$64,000 but not over \$76,000 .....	\$4,056.00, plus 11.6% of excess over \$64,000
87 Over \$76,000 but not over \$88,000 .....	\$5,448.00, plus 12.6% of excess over \$76,000
88 Over \$88,000 but not over \$100,000 .....	\$6,960.00, plus 12.9% of excess over \$88,000
89 Over \$100,000 but not over \$120,000 .....	\$8,508.00, plus 12.9% of excess over \$100,000
90 Over \$120,000 but not over \$140,000 .....	\$11,088.00, plus 13.0% of excess over \$120,000
91 Over \$140,000 but not over \$160,000 .....	\$13,688.00, plus 13.0% of excess over \$140,000
92 Over \$160,000 but not over \$180,000 .....	\$16,288.00, plus 13.0% of excess over \$160,000
93 Over \$180,000 but not over \$200,000 .....	\$18,888.00, plus 13.0% of excess over \$180,000
94 Over \$200,000 but not over \$300,000 .....	\$21,488.00, plus 13.0% of excess over \$200,000
95 Over \$300,000 but not over \$400,000 .....	\$34,488.00, plus 13.0% of excess over \$300,000
96 Over \$400,000 .....	\$47,488.00, plus 13.0% of excess over \$400,000

97 (d) *Applicability of this section.*—The provisions of this  
 98 section shall be applicable in determining the rate of tax  
 99 imposed by this article for all taxable periods or portions  
 100 thereof beginning on or after the first day of April, one  
 101 thousand nine hundred eighty-three.

**§11-21-4e. Effect of rate changes during taxable year.**

1 (a) If any rate of tax imposed by this article changes to  
 2 become effective after the thirty-first day of December, of a  
 3 calendar year, and if the taxable year includes the effective  
 4 date of the change of rate (unless that date is the first day of  
 5 the taxable year) then: (1) Tentative taxes shall be  
 6 computed by applying the rate for the period before the  
 7 effective date of the change of rate, and the rate for the  
 8 period on and after such date, to the taxable income for the  
 9 entire taxable year; and (2) the tax for such taxable year  
 10 shall be the sum of that proportion of each tentative tax  
 11 which the number of months in each period bears to the  
 12 number of months in the entire taxable year.

13 (b) For purposes of subsection (a):

14 (1) If the rate changes for taxable years “beginning  
 15 after” or “ending after” a certain date, the following day  
 16 shall be considered the effective date of the change; and

17 (2) If a rate changes for taxable years “beginning on or  
 18 after” a certain date, that date shall be considered the  
 19 effective date of the change of rate.

**§11-21-16. West Virginia personal exemptions of resident individual.**

1 (a) *General.*—For any tax imposed under the provisions  
 2 of this article with respect to any taxable year prior to the  
 3 first day of January, one thousand nine hundred eighty-  
 4 three, a resident individual shall be allowed a West Virginia  
 5 exemption of six hundred dollars for each exemption for  
 6 which he is entitled to a deduction for the taxable year for  
 7 federal income tax purposes. With respect to any taxable  
 8 year beginning on or after the first day of January, one  
 9 thousand nine hundred eighty-three, and prior to the first  
 10 day of January, one thousand nine hundred eighty-four,  
 11 said exemption shall be seven hundred dollars; and with  
 12 respect to any taxable year beginning on or after the first  
 13 day of January, one thousand nine hundred eighty-four,  
 14 said exemption shall be eight hundred dollars.

15 (b) *Husband and wife*.—If the West Virginia income  
 16 taxes of a husband and wife are separately determined but  
 17 their federal income tax is determined on a joint return,  
 18 each of them shall be separately entitled, with respect to  
 19 any taxable year prior to the first day of January, one  
 20 thousand nine hundred eighty-three, to a West Virginia  
 21 exemption of six hundred dollars for each federal  
 22 exemption to which he would be separately entitled for the  
 23 taxable year if their federal income taxes had been  
 24 determined on separate returns. With respect to any taxable  
 25 year beginning on or after the first day of January, one  
 26 thousand nine hundred eighty-three, and prior to the first  
 27 day of January, one thousand nine hundred eighty-four,  
 28 said exemption shall be seven hundred dollars; and with  
 29 respect to any taxable year beginning on or after the first  
 30 day of January, one thousand nine hundred eighty-four,  
 31 said exemption shall be eight hundred dollars.

**§11-21-71. Requirement of withholding tax from wages.**

1 (a) *General*.—Every employer maintaining an office or  
 2 transacting business within this state and making payment  
 3 of any wage taxable under this article to a resident or  
 4 nonresident individual shall deduct and withhold from  
 5 such wages for each payroll period a tax computed in such  
 6 manner as to result, so far as practicable, in withholding  
 7 from the employer's wages during each calendar year an  
 8 amount substantially equivalent to the tax reasonably  
 9 estimated to be due under this article resulting from the  
 10 inclusion in the employee's West Virginia adjusted gross  
 11 income of his wages received during such calendar year.  
 12 The method of determining the amount to be withheld shall  
 13 be prescribed by the tax commissioner, with due regard to  
 14 the West Virginia withholding exemption of the employee.  
 15 This section shall not apply to payments by the United  
 16 States for service in the armed forces of the United States.

17 (b) *Withholding exemptions*.—For purposes of this  
 18 section:

19 (1) An employee shall be entitled to the same number of  
 20 West Virginia withholding exemptions as the number of  
 21 withholding exemptions to which he is entitled for federal  
 22 income tax withholding purposes. An employer may rely  
 23 upon the number of federal withholding exemptions

24 claimed by the employee, except where the employee claims  
25 a higher number of West Virginia withholding exemptions.

26 (2) With respect to any taxable year prior to the first day  
27 of January, one thousand nine hundred eighty-three, the  
28 amount of each West Virginia exemption shall be six  
29 hundred dollars whether the individual is a resident or  
30 nonresident. With respect to any taxable year beginning on  
31 or after the first day of January, one thousand nine hundred  
32 eighty-three, and prior to the first day of January, one  
33 thousand nine hundred eighty-four, said exemption shall  
34 be seven hundred dollars and with respect to any taxable  
35 year beginning on or after the first day of January, one  
36 thousand nine hundred eighty-five, said exemption shall be  
37 eight hundred dollars.

38 (c) *Exception for certain nonresidents.*—If the income  
39 tax law of another state of the United States or of the  
40 District of Columbia results in its residents being allowed a  
41 credit under section forty sufficient to offset all taxes  
42 required by this article to be withheld from the wages of an  
43 employee, the tax commissioner may by regulation relieve  
44 the employers of such employees from the withholding  
45 requirements of this article with respect to such employees.

#### ARTICLE 24. CORPORATION NET INCOME TAX.

##### §11-24-4. Imposition of primary tax and rate thereof; imposition of additional, temporary surtax; effective and termination dates.

1 (a) *Primary tax.*

2 (1) In the case of taxable periods beginning after the  
3 thirtieth day of June, one thousand nine hundred sixty-  
4 seven, and ending prior to the first day of January, one  
5 thousand nine hundred eighty-three, a tax is hereby  
6 imposed for each taxable year at the rate of six per centum  
7 per annum on the West Virginia taxable income of every  
8 domestic or foreign corporation engaging in business in this  
9 state or deriving income from property, activity or other  
10 sources in this state, except corporations exempt under  
11 section five.

12 (2) In the case of taxable periods beginning on or after  
13 the first day of January, one thousand nine hundred eighty-  
14 three, a tax is hereby imposed for each taxable year on the  
15 West Virginia taxable income of every domestic or foreign

16 corporation engaging in business in this state or deriving  
17 income from property, activity or other sources in this state,  
18 except corporations exempt under section five, at the rates  
19 which follow:

20 (A) On taxable income not in excess of fifty thousand  
21 dollars, the rate of six percent; and

22 (B) On taxable income in excess of fifty thousand  
23 dollars, the rate of seven percent.

24 (b) *Temporary surtax.*—In addition to the primary tax  
25 imposed, determinable and with exemptions, as aforesaid,  
26 there is hereby imposed an additional tax, a temporary  
27 surtax, of fifteen percent of the determined primary tax  
28 liability (as determined prior to application of any credits  
29 allowable under section nine of this article), and with such  
30 additional, temporary surtax being hereby made effective  
31 and applicable to taxable years or portions thereof  
32 beginning on and after the first day of January, one  
33 thousand nine hundred eighty-three, with such additional,  
34 temporary surtax to expire, be nullified and be of no further  
35 force or effect whatsoever after the thirtieth day of June,  
36 one thousand nine hundred eighty-five. Section four-a of  
37 this article, applicable to the effect of any rate changes  
38 during a taxable year, shall be construed to include and also  
39 be applicable to this surtax or any change of such surtax  
40 hereafter occurring during a taxable year. Corporations  
41 exempt under section five of this article from the primary  
42 tax, as imposed, are hereby made exempt from the  
43 additional, temporary surtax, as imposed.

**§11-24-4a. Effect of rate changes during taxable year.**

1 (a) If any rate of tax imposed by this article changes to  
2 become effective after the thirty-first day of December of a  
3 calendar year, and if the taxable year included the effective  
4 date of the change of rate (unless that date is the first day of  
5 the taxable year) then: (1) Tentative taxes shall be  
6 computed by applying the rate for the period before the  
7 effective date of the change of rate, and the rate for the  
8 period on and after such date, to the taxable income for the  
9 entire taxable year; and (2) the tax for such taxable year  
10 shall be the sum of that proportion of each tentative tax  
11 which the number of months in each period bears to the  
12 number of months in the entire taxable year.

13 (b) For purposes of subsection (a):

14 (1) If the rate changes for taxable years "beginning  
15 after" or "ending after" a certain date, the following day  
16 shall be considered the effective date of the change; and

17 (2) If a rate changes for taxable years "beginning on or  
18 after" a certain date, that date shall be considered the  
19 effective date of the change of rate.

**§11-24-9. Credits against primary tax; election of taxpayer.**

1 (a) *Credit for primary taxes imposed under article*  
2 *thirteen, chapter eleven of this code.*—A credit shall be  
3 allowed against the primary tax imposed by this article  
4 equal to the amount of the liability of the taxpayer for the  
5 taxable year for any tax imposed under article thirteen,  
6 chapter eleven of this code: *Provided*, That the amount of  
7 such business and occupation tax credit shall not exceed  
8 fifty percent of the primary tax liability of the taxpayer  
9 under this article which is attributable to the West Virginia  
10 taxable income derived by the taxpayer for the taxable year  
11 from the business or occupation with respect to which said  
12 tax under article thirteen was imposed and shall not in any  
13 event exceed fifty percent of the primary tax liability of the  
14 taxpayer under this article for such taxable year: *Provided*,  
15 *however*, That the entire amount of the business and  
16 occupation tax liability of the taxpayer, which was taken as  
17 a deduction in determining its federal taxable income for  
18 the taxable year, shall be an adjustment increasing federal  
19 taxable income under section six of this article: *Provided*  
20 *further*, That the taxpayer may at its option elect in lieu of  
21 claiming the credit allowable by this subsection, to not  
22 increase its federal taxable income under section six of this  
23 article and thereby take as a full deduction under this  
24 article for the taxable year by the amount of its business and  
25 occupation tax liability for the taxable year, which was  
26 taken as a deduction on its federal return for such taxable  
27 year.

28 For purposes of this section, the tax imposed under article  
29 thirteen of chapter eleven of this code shall be the amount of  
30 the liability of the taxpayer for such tax under said article  
31 thirteen computed without reduction for the tax credit for  
32 industrial expansion or revitalization allowed for such  
33 year.



34 (b) *Credit for tax*<sup>es</sup> *imposed under article twelve-a,*  
35 *chapter eleven of this code.*—A credit shall be allowed  
36 against the primary tax imposed by this article equal to the  
37 amount of the liability of the taxpayer for the taxable year  
38 for any tax imposed on the taxpayer under article twelve-a,  
39 chapter eleven of this code: *Provided*, That the amount of  
40 such credit shall not exceed fifty percent of the primary tax  
41 liability of the taxpayer under this article which is  
42 attributable to the West Virginia taxable income derived by  
43 the taxpayer for the taxable year from any source with  
44 respect to which said tax under article twelve-a was  
45 imposed and shall not in any event exceed fifty percent of  
46 the primary tax liability of the taxpayer *this article for such*  
47 taxable year: *Provided, however*, That the entire amount of  
48 the carrier income tax liability of the taxpayer, which was  
49 taken as a deduction in determining its federal taxable  
50 income for the taxable year shall be an adjustment  
51 increasing federal taxable income under section six of this  
52 article: *Provided further*, That the taxpayer may at its  
53 option elect in lieu of claiming the credit allowable by this  
54 subsection, to not increase its federal taxable income under  
55 section six of this article and thereby take as a full  
56 deduction under this article for the taxable year by the  
57 amount of its carrier income tax liability for the taxable  
58 year, which was taken as a deduction on its federal return  
59 for the taxable year.

**§11-24-10. Credit for hiring of qualified employees by eligible taxpayers engaged in manufacturing.**

1 (a) A credit shall be allowed under the provisions of this  
2 section against the primary tax liability of the taxpayer  
3 under this article to eligible taxpayers who hire qualified  
4 employees during the period beginning April first, one  
5 thousand nine hundred eighty-three, and ending December  
6 thirty-first, one thousand nine hundred eighty-four.

7 (b) For the purpose of this section, the term "eligible  
8 taxpayer" shall mean a taxpayer who:

9 (1) is subject to tax liability under section two-b, article  
10 thirteen, chapter eleven of this code, relating to business  
11 and occupation tax upon the business of manufacturing,  
12 compounding, or preparing for sale any articles,  
13 substances, or commodities; and

14 (2) hires a qualified employee, as defined herein, during  
15 the period beginning April first, one thousand nine hundred  
16 eighty-three, and ending December thirty-first, one  
17 thousand nine hundred eighty-four; which employee to  
18 such employer is not a returning seasonal employee or  
19 employee of like-type.

20 (c) For the purpose of this section, the term "qualified  
21 employee" shall mean an employee who is hired and  
22 employed at a location within this state by an eligible  
23 taxpayer for full-time employment, which, for the purposes  
24 of this section, shall mean employment for at least one  
25 hundred twenty hours per month at a wage equal to, or  
26 greater than, the prevailing federal minimum wage; and

27 (1) at the time he or she is hired, has either exhausted  
28 entitlement to unemployment compensation benefits under  
29 the provisions of chapter twenty-one-a of this code or  
30 would have exhausted such benefits within a period of six  
31 weeks from date of employment; or

32 (2) at the time of employment, he or she is hired so that  
33 one or more present employees will not be required to  
34 continue working overtime, and with a resultant decrease  
35 in the amount of overtime compensation paid by the  
36 employer.

37 (d) The term "qualified employee" shall not include a  
38 person who displaces an employed individual, other than an  
39 individual who is discharged for cause, or shall not include  
40 an individual employed and who is closely related to a  
41 person who owns, directly or indirectly, more than fifty  
42 percent of the outstanding stock of the business, or an  
43 individual employed and who is closely related to the owner  
44 or owners of an unincorporated business.

45 (e) Notwithstanding any provision of this code to the  
46 contrary, the department of employment security shall  
47 disclose, upon request, to the state tax commissioner or his  
48 employees, any wage, benefits, or eligibility information  
49 with respect to an identified individual which is contained  
50 in its records.

51 (f) The maximum total credits allowed to any eligible  
52 taxpayer in all taxable years because of the hiring of any  
53 one qualified employee shall be one thousand dollars:  
54 *Provided*, That the amount of the credit allowed by this  
55 section in any one taxable year shall be the lesser of either

56 one thousand dollars for each qualified employee hired in  
57 such taxable year, or ten percent of the gross wages paid by  
58 the eligible taxpayer to each qualified employee hired in  
59 such taxable year: *Provided, however,* That unused credit  
60 for an eligible employee may be carried forward to the next  
61 tax year if necessary and until the lesser of either one  
62 thousand dollars for each qualified employee or ten percent  
63 of the gross wages paid to the eligible employee during his  
64 or her first employment year is taken as a credit by the  
65 eligible taxpayer. The credit allowable by this section for a  
66 taxable year is not subject to the fifty percent limitation  
67 specified in section nine of this article, and any unused  
68 credit may be carried over to each of the next three taxable  
69 years following the unused credit year until used or  
70 forfeited due to lapse of time.

**§11-24-17a. Interest and additions to tax on payments of  
estimated tax.**

1 The interest provisions of subsection (a), section  
2 seventeen, and the additions to tax provisions of section  
3 eighteen, both of article ten of this chapter, shall apply to an  
4 underpayment of estimated tax under this article, whether  
5 such underpayment is because of a failure to pay the entire  
6 installment payment then due or because of an under-  
7 estimation by more than twenty percent of the amount of  
8 tax due for the taxable year under this article.

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

  
Chairman Senate Committee

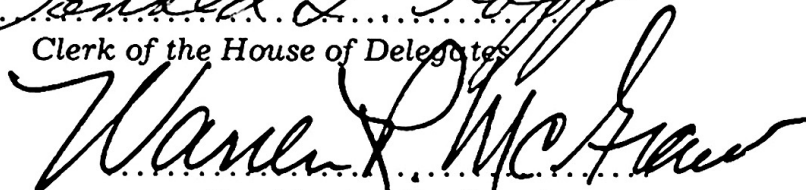
  
Chairman House Committee

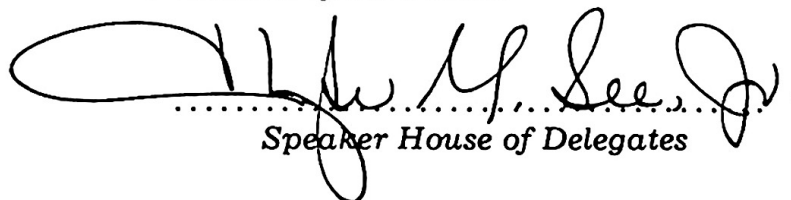
Originated in the Senate.

In effect from passage.

  
Clerk of the Senate

  
Clerk of the House of Delegates

  
President of the Senate

  
Speaker House of Delegates

The within is approved this the 29  
day of March, 1983.

  
Governor

RECEIVED

83 MAR 31 AID: 44

DIRECTOR  
SECY. OF STATE