

No: 310

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1987

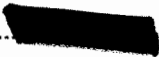


ENROLLED

SENATE BILL NO. 310

(By Senator Shaw)



PASSED March 13 1987
In Effect July 1, 1987 



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Senate Bill No. 310
(BY SENATOR SHAW)

[Passed March 13, 1987; to take effect July 1, 1987.]

AN ACT to amend and reenact section two-d, 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 imposed on public service or utility businesses; and exempting sales of electricity consumed in the manufacture of a ferroalloy from taxation.

Be it enacted by the Legislature of West Virginia:

That section two-d, 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.

§11-13-2d. Public service or utility business.

1 (a) Upon any person engaging or continuing within this
2 state in any public service or utility business, except
3 railroad, railroad car, express, pipeline, telephone and
4 telegraph companies, water carriers by steamboat or
5 steamship and motor carriers, there is likewise hereby
6 levied and shall be collected taxes on account of the
7 business engaged in equal to gross income of the business
8 multiplied by the respective rates as follows:

9 (1) Street and interurban and electric railways, one and
10 four-tenths percent;

11 (2) Water companies, four and four-tenths percent,
12 except as to income received by municipally owned water
13 plants;

14 (3) Electric light and power companies, four percent on
15 sales and demand charges for domestic purposes and
16 commercial lighting and four percent on sales and demand
17 charges for all other purposes and commercial lighting and
18 four percent on sales and demand charges for all other
19 purposes, except as to income received by municipally
20 owned plants producing or purchasing electricity and
21 distributing same: *Provided*, That electric light and power
22 companies which engage in the supplying of public service
23 but which do not generate or produce electric power shall
24 be taxed on the gross income derived therefrom at the rate
25 of three percent on sales and demand charges for domestic
26 purposes and commercial lighting and three percent on
27 sales and demand charges for all other purposes, except as
28 to income received by municipally owned plants: *Provided*,
29 *however*, That the sale of electric power under this section
30 shall be taxed at the rate of two and forty-six hundredths
31 percent on that portion of the gross proceeds derived from
32 the sale of electric power to a plant location of a customer
33 engaged in a manufacturing activity, if the contract
34 demand at such plant location exceeds two hundred
35 thousand kilowatts per hour per year, or if the usage of such
36 plant location exceeds two hundred thousand kilowatts per
37 hour in a year: *Provided further*, That such two and forty-
38 six hundredths percent rate will be reduced to a rate of two
39 and three hundred thirty-seven thousandths percent
40 through occurrence of the contemplated five percent
41 reduction of rates on the first day of July, one thousand nine
42 hundred eighty-five, and with such rate to thereafter, on the
43 first day of July, one thousand nine hundred eighty-seven,
44 become two percent: *And provided further*, That the sale of
45 electric power under this section shall be exempt from the
46 tax imposed by section two if it is separately metered and
47 consumed in an electrolytic process for the manufacture of
48 chlorine in this state, or is separately metered and
49 consumed in the manufacture of a ferroalloy in this state,
50 and the rate reduction herein provided to the taxpayer shall
51 be passed on to the manufacturer of the chlorine or
52 ferroalloy. As used in this section, the term "ferroalloy"
53 means any of various alloys of iron and one or more other

54 elements used as a raw material in the production of steel:
55 *And provided further*, That the term does not include the
56 final production of steel;

57 (4) Natural gas companies, four and twenty-nine
58 hundredths percent on the gross income;

59 (5) Toll bridge companies, four and twenty-nine
60 hundredths percent; and

61 (6) Upon all other public service or utility business, two
62 and eighty-six hundredths percent.

63 (b) The measure of this tax shall not include gross
64 income derived from commerce between this state and
65 other states of the United States or between this state and
66 foreign countries. The measure of the tax under this section
67 shall include only gross income received from the supplying
68 of public service. The gross income of the taxpayer from any
69 other activity shall be included in the measure of the tax
70 imposed upon such other activity by the appropriate section
71 or sections of this article.

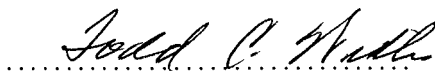
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

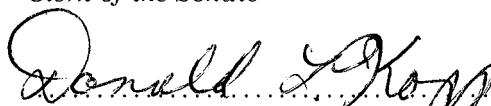

Chairman Senate Committee

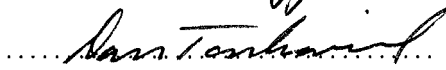

Chairman House Committee

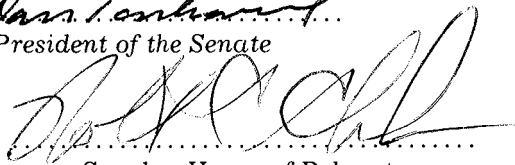
Originated in the Senate.

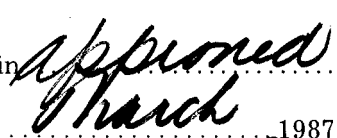

To take effect July 1, 1987.


Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker House of Delegates

The within  approved this the 25th
day of March 1987.

Governor

PRESENTED TO THE

GOVERNOR

Date 3/19/87

Time 1:42 p.m.

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OFFICE OF THE
ATTORNEY GENERAL