

No: 310

WEST VIRGINIA LEGISLATURE  
REGULAR SESSION, 1987



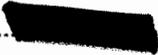
ENROLLED

SENATE BILL NO. 310

(By Senator Shaw.....)



PASSED March 13..... 1987

In Effect July 1, 1987..... 



**ENROLLED**  
**Senate Bill No. 310**  
(BY SENATOR SHAW)

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

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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.

*[Signature]*  
Chairman Senate Committee

*Bernard V. Kelly*  
Chairman House Committee

Originated in the Senate.

To take effect July 1, 1987.

*Judd C. Huth*  
Clerk of the Senate

*Donald Skopp*  
Clerk of the House of Delegates

*[Signature]*  
President of the Senate

*[Signature]*  
Speaker House of Delegates

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

*Aubrey S. Shaffer*  
Governor



PRESENTED TO THE

GOVERNOR

Date 3/19/87

Time 1:42 p.m.

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1907 MAR 28 11 11:31  
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