

FILED

2006 NOV 30 AM 10: 38

OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

Second Extraordinary Session, 2006

ENROLLED

Senate Bill No. 2004

(BY SENATORS TOMBLIN, MR. PRESIDENT, AND SPROUSE,
BY REQUEST OF THE EXECUTIVE)

[Passed November 14, 2006; in effect ninety days from passage.]

HOOR QS

FILED

2006 NOV 30 AM 10: 38

OFFICE WEST VIRGINIA
SECRETARY OF STATE

ENROLLED

Senate Bill No. 2004

(BY SENATORS TOMBLIN, MR. PRESIDENT, AND SPROUSE,
BY REQUEST OF THE EXECUTIVE)

[Passed November 14, 2006; in effect ninety days from passage.]

AN ACT to amend and reenact §11-23-6 of the Code of West Virginia, 1931, as amended, relating to reducing the rate of the business franchise tax.

Be it enacted by the Legislature of West Virginia:

That §11-23-6 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 23. BUSINESS FRANCHISE TAX.**§11-23-6. Imposition of tax; change in rate of tax.**

1 (a) *General.* — An annual business franchise tax is
2 hereby imposed on the privilege of doing business in
3 this state and in respect of the benefits and protection
4 conferred. Such tax shall be collected from every
5 domestic corporation, every corporation having its
6 commercial domicile in this state, every foreign or
7 domestic corporation owning or leasing real or tangible
8 personal property located in this state or doing business
9 in this state and from every partnership owning or
10 leasing real or tangible personal property located in this
11 state or doing business in this state, effective on and
12 after the first day of July, one thousand nine hundred
13 eighty-seven.

14 (b) *Amount of tax and rate; effective date.* —

15 (1) On and after the first day of July, one thousand
16 nine hundred eighty-seven, the amount of tax shall be
17 the greater of fifty dollars or fifty-five one hundredths
18 of one percent of the value of the tax base, as
19 determined under this article: *Provided*, That when the
20 taxpayer's first taxable year under this article is a short
21 taxable year, the taxpayer's liability shall be prorated
22 based upon the ratio which the number of months in
23 which such short taxable year bears to twelve:
24 *Provided, however*, That this subdivision shall not
25 apply to taxable years beginning on or after the first
26 day of January, one thousand nine hundred eighty-nine.

27 (2) *Taxable years after December 31, 1988.* — For
28 taxable years beginning on or after the first day of
29 January, one thousand nine hundred eighty-nine, the
30 amount of tax due under this article shall be the greater
31 of fifty dollars or seventy-five one hundredths of one
32 percent of the value of the tax base as determined
33 under this article.

34 (3) *Taxable years after June 30, 1997.* — For taxable
35 years beginning on or after the first day of July, one
36 thousand nine hundred ninety-seven, the amount of tax
37 due under this article shall be the greater of fifty
38 dollars or seventy hundredths of one percent of the
39 value of the tax base as determined under this article.

40 (4) *Taxable years after December 31, 2006.* — For
41 taxable years beginning on or after the first day of
42 January, two thousand seven, the amount of tax due
43 under this article shall be the greater of fifty dollars or
44 fifty-five one hundredths of one percent of the value of
45 the tax base as determined under this article.

46 (c) *Short taxable years.* — When the taxpayer's
47 taxable year for federal income tax purposes is a short
48 taxable year, the tax determined by application of the
49 tax rate to the taxpayer's tax base shall be prorated
50 based upon the ratio which the number of months in
51 such short taxable year bears to twelve: *Provided*, That
52 when the taxpayer's first taxable year under this article
53 is less than twelve months, the taxpayer's liability shall
54 be prorated based upon the ratio which the number of
55 months the taxpayer was doing business in this state
56 bears to twelve but in no event shall the tax due be less
57 than fifty dollars.

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

Chandy White
.....
Chairman Senate Committee

R. Beer
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

David E. White
.....
Clerk of the Senate

Bryce D. Smith
.....
Clerk of the House of Delegates

Carl Ray Tomblin
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within is approved this
the *30th* Day of *November*, 2006.

[Signature]
.....
Governor

PRESENTED TO THE
GOVERNOR

NOV 29 2006

Time 10:30am