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.

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

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

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

(2) Taxable years after December 31, 1988. — For taxable years beginning on or after the first day of January, one thousand nine hundred eighty-nine, the amount of tax due under this article shall be the greater of fifty dollars or seventy-five one hundredths of one percent of the value of the tax base as determined under this article.
(3) Taxable years after June 30, 1997. — For taxable years beginning on or after the first day of July, one thousand nine hundred ninety-seven, the amount of tax due under this article shall be the greater of fifty dollars or seventy hundredths of one percent of the value of the tax base as determined under this article.

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

(c) Short taxable years. — When the taxpayer's taxable year for federal income tax purposes is a short taxable year, the tax determined by application of the tax rate to the taxpayer's tax base shall be prorated based upon the ratio which the number of months in such short taxable year bears to twelve: Provided, That when the taxpayer's first taxable year under this article is less than twelve months, the taxpayer's liability shall be prorated based upon the ratio which the number of months the taxpayer was doing business in this state bears to twelve but in no event shall the tax due be less than fifty dollars.
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 ninety days 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 30th Day of November, 2006.

Governor
PRESENTED TO THE
GOVERNOR

NOV 29 2006

Time 10:30AM