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2006 NOV 30 AM 10: 38

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**WEST VIRGINIA LEGISLATURE**

**Second Extraordinary Session, 2006**

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**ENROLLED**

**Senate Bill No. 2004**

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

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

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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

*Bruce W. Smith*  
.....  
Clerk of the House of Delegates

*Carl Roy Tomblin*  
.....  
President of the Senate

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

The within is approved ..... this  
the *30<sup>th</sup>* Day of *November* ....., 2006.

*[Signature]*  
.....  
Governor

PRESENTED TO THE  
GOVERNOR

NOV 29 2006

Time 10:30am