WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2014

ENROLLED
COMMITTEE SUBSTITUTE
FOR
House Bill No. 4449

(By Delegates Phillips, R., Lynch, Tomblin, Eldridge, Barker, Marcum, White, Caputo, Skaff, Craig and Sumner)

Passed March 6, 2014

In effect ninety days from passage.
AN ACT to amend and reenact §11-13BB-3 and §11-13BB-14 of the Code of West Virginia, 1931, as amended, relating to the West Virginia Innovative Mine Safety Technology Tax Credit Act; including proximity detection systems and cameras used on continuous mining machines and underground haulage equipment for tax credit purposes; and extending termination date for credit.

Be it enacted by the Legislature of West Virginia:

That §11-13BB-3 and §11-13BB-14 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:
ARTICLE 13BB. WEST VIRGINIA INNOVATIVE MINE SAFETY TECHNOLOGY TAX CREDIT ACT.


(a) Any term used in this article has the meaning ascribed by this section unless a different meaning is clearly required by the context of its use or by definition in this article.

(b) For purposes of this article, the term:

(1) "Certified eligible safety property" means eligible safety property in which an eligible taxpayer has made qualified investment for which credit has been certified under this article.

(2) "Coal mining company" means:

(A) A person subject to tax imposed on the severance of coal by section three, article thirteen-a of this chapter; or

(B) A person working as a contract miner of coal, mining coal in this state, under contract with a person subject to tax imposed on the severance of coal by section three, article thirteen-a of this chapter.

(3) "Director" means the Director of the Office of Miners' Health, Safety and Training or West Virginia Office of Miners' Health, Safety and Training established under article one, chapter twenty-two-a of this code.

(4) "Eligible safety property" means safety technology equipment that, at the time of acquisition, is on the list of approved innovative mine safety technology: Provided, That eligible safety property includes proximity detection systems and cameras used on continuous mining machines and underground haulage equipment and machine mounted methane monitors required by section forty-three, article two, chapter twenty-two-a of this code.
(5) "Eligible taxpayer" means a coal mining company that purchases eligible safety property.

(6) "List of approved innovative mine safety technology" means the list required to be compiled and maintained by the Mine Safety Technology Task Force and approved and published by the director under this article.

(7) "Office of Miners' Health, Safety and Training" or "West Virginia Office of Miners' Health, Safety and Training" means the Office of Miners' Health, Safety and Training established under article one, chapter twenty two-a of this code.

(8) "Person" includes any corporation, limited liability company or partnership.

(9) "Qualified investment" means the eligible taxpayer’s investment in eligible safety property pursuant to a qualified purchase as qualified and limited by section six of this article.

(10) "Qualified purchase" means and includes only acquisitions of eligible safety property for use in this state.

(A) A lease of eligible safety property may constitute a qualified purchase if the lease was entered into and became effective at a time when the equipment is on the list of approved innovative mine safety technology and if the primary term of the lease for the eligible safety property is five years or more. Leases having a primary term of less than five years do not qualify.

(B) "Qualified purchase" does not include:

(i) Purchases or leases of realty or any cost for, or related to, the construction of a building, facility or structure attached to realty;

(ii) Purchases or leases of property not exclusively used in West Virginia;
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(iii) Repair costs including materials used in the repair unless, for federal income tax purposes, the cost of the repair must be capitalized and not expensed;

(iv) Motor vehicles licensed by the Division of Motor Vehicles;

(v) Clothing;

(vi) Airplanes;

(vii) Off-premises transportation equipment;

(viii) Leases of tangible personal property having a primary term of less than five years;

(ix) Property that is used outside this state; and

(x) Property that is acquired incident to the purchase of the stock or assets of an industrial taxpayer that was or had been used by the seller in his or her industrial business in this state or in which investment was previously the basis of a credit against tax taken under any other article of this chapter.

(C) Acquisitions, including leases, of eligible safety property may constitute qualified purchases for purposes of this article only if:

(i) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of deductions under Section 267 or 707(b) of the United States Internal Revenue Code of 1986, as amended;

(ii) The property is not acquired from a related person or by one component member of a controlled group from another component member of the same controlled group but the Tax Commissioner may waive this requirement if the property was acquired from a related party for its then fair market value; and
84 (iii) The basis of the property for federal income tax
85 purposes, in the hands of the person acquiring it, is not
86 determined, in whole or in part, by reference to the federal
87 adjusted basis of the property in the hands of the person from
88 whom it was acquired or under Section 1014(e) of the United
89 States Internal Revenue Code of 1986, as amended.

90 (11) “Safety technology” means depreciable tangible
91 personal property and equipment, other than clothing, principally
92 designed to directly minimize workplace injuries and fatalities
93 in coal mines.

94 (12) “Taxpayer” means a person subject to any of the taxes
95 imposed by article thirteen-a, twenty-three or twenty-four of this
96 chapter.


1 The tax credit authorized in this article shall terminate
2 December 31, 2018.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee

Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the House of Delegates

Clerk of the Senate

Speaker of the House of Delegates

President of the Senate

The within is approved this the 21st day of March, 2014.

Governor
PRESENTED TO THE GOVERNOR

MAR 17 2014

Time 3:35 pm