

TAX BENEFIT	SYNOPSIS																				
<p>Economic Opportunity Tax Credit</p> <p>West Virginia Code §11-13Q-1 <i>et seq.</i></p>	<p>Qualified businesses include only those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.</p> <p>Applicable % of qualified investment taken proportionally over 10 years</p> <table border="1" data-bbox="680 256 1587 415"> <thead> <tr> <th data-bbox="680 256 1003 337">IF NET NEW WV JOBS TOTAL AT LEAST:</th> <th data-bbox="1003 256 1241 337"></th> <th data-bbox="1241 256 1587 337">APPLICABLE PERCENTAGE IS:</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 337 1003 362">520</td> <td data-bbox="1003 337 1241 362"></td> <td data-bbox="1241 337 1587 362">30%</td> </tr> <tr> <td data-bbox="680 362 1003 386">280</td> <td data-bbox="1003 362 1241 386"></td> <td data-bbox="1241 362 1587 386">25%</td> </tr> <tr> <td data-bbox="680 386 1003 415">20</td> <td data-bbox="1003 386 1241 415"></td> <td data-bbox="1241 386 1587 415">20%</td> </tr> </tbody> </table> <p>Annual credit can offset up to 100% of business and occupation tax (electricity generators only), corporate net income tax &amp; personal income tax (on flow through income only) attributable to qualified investment for a period of 13 years. I.e., 10 years + 3 year carryover credit.</p>	IF NET NEW WV JOBS TOTAL AT LEAST:		APPLICABLE PERCENTAGE IS:	520		30%	280		25%	20		20%								
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<p>Small Business Tax Credit</p> <p>West Virginia Code §11-13Q-10</p>	<p>Qualified businesses include only those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.</p> <p>An eligible small business Taxpayer is allowed a credit in the manner described above for the general Economic Opportunity Tax Credit, except that the small business must create at least 10 new WV jobs within 12 months, rather than 20 new jobs within 3 years. If the qualified small business creates at least 10 qualified new jobs, the small business may receive a credit equal to 10% of its qualified investment. Small business is defined as one having gross receipts of \$9,349,750 or less (for 2017). This number is adjusted for inflation each year. The Taxpayer can offset up to 100% of corporate net income tax “attributable to qualified investment” for a period of up to 13 years.</p>																				
<p>Corporate Headquarters Relocation Credit</p> <p>West Virginia Code §11-13Q-5</p>	<p>A Taxpayer that moves its corporate headquarters to WV from a location outside of WV may be entitled to an Economic Opportunity Tax Credit, if the relocation creates at least 15 new WV jobs. If the relocation creates at least 15, but less than 20 new jobs, then the amount of credit is equal to 10% of the Taxpayer’s adjusted qualified investment. The Taxpayer could offset up to 100% of corporate net income tax “attributable to qualified investment” for a period of up to 13 years.</p>																				
<p>High Technology Manufacturers Credit</p> <p>West Virginia Code §11-13q-10a</p>	<p>A qualified “high technology manufacturing business” is a business classified as having a North American Industry Classification System (NAICS) Code as follows:</p> <table border="1" data-bbox="680 906 1163 1188"> <thead> <tr> <th data-bbox="680 906 785 954">NAICS Code</th> <th data-bbox="785 906 1163 954">Manufacturing Activity</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 954 785 979"></td> <td data-bbox="785 954 1163 979"><b>Computer &amp; Peripheral Equipment</b></td> </tr> <tr> <td data-bbox="680 979 785 1003">334111</td> <td data-bbox="785 979 1163 1003">Electronic Computers</td> </tr> <tr> <td data-bbox="680 1003 785 1027">334112</td> <td data-bbox="785 1003 1163 1027">Computer Storage Devices</td> </tr> <tr> <td data-bbox="680 1027 785 1052"></td> <td data-bbox="785 1027 1163 1052"><b>Electronic Components</b></td> </tr> <tr> <td data-bbox="680 1052 785 1076">334411</td> <td data-bbox="785 1052 1163 1076">Electron Tubes</td> </tr> <tr> <td data-bbox="680 1076 785 1101">334414</td> <td data-bbox="785 1076 1163 1101">Electronic Capacitors</td> </tr> <tr> <td data-bbox="680 1101 785 1125"></td> <td data-bbox="785 1101 1163 1125"><b>Semiconductors</b></td> </tr> <tr> <td data-bbox="680 1125 785 1149">334413</td> <td data-bbox="785 1125 1163 1149">Semiconductor &amp; Related Devices</td> </tr> <tr> <td data-bbox="680 1149 785 1188">333295</td> <td data-bbox="785 1149 1163 1188">Semiconductor Machinery</td> </tr> </tbody> </table> <p>The High technology manufacturer must create at least 20 new WV jobs within 12 months after placing the qualified investment in service. The credit is 100% of the tax attributable to the qualified investment &amp; is allowed for each year for a 20 year credit period. The jobs must receive a median compensation of \$52,400 (for 2017), adjusted for inflation each year.</p> <p>The credit can offset up to 100% of corporate net income tax and personal income tax “attributable to qualified investment” for a period of 20 years.</p>	NAICS Code	Manufacturing Activity		<b>Computer &amp; Peripheral Equipment</b>	334111	Electronic Computers	334112	Computer Storage Devices		<b>Electronic Components</b>	334411	Electron Tubes	334414	Electronic Capacitors		<b>Semiconductors</b>	334413	Semiconductor & Related Devices	333295	Semiconductor Machinery
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Jobs Creation Tax Credit West Virginia Code §11-13Q-22	<p>Qualified businesses include only those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.</p> <p>A qualified business creating less than 20 new jobs for a regular business &amp; less than 10 new jobs for a qualified small business, receives a tax credit of \$3,000 per year for each new job created, for a period of 5 years. To qualify, the new jobs must be full-time, pay a minimum salary of \$35,700 &amp; offer health benefits. There is no carry forward or carry back for this credit. If the number of new jobs decreases, the tax credit amount will be forfeited for each net job lost. This credit applies against the corporation net income tax &amp; against the personal income tax on conduit income.</p>
Manufacturing Investment Tax Credit West Virginia Code §11-13S-1 <i>et seq.</i>	<p>5% of qualified investment taken proportionally over 10 years Annual credit can offset up to 60% of CNIT for a period of 10 years. Available for businesses having a NAICS code prefix 31, 32 or 33 and NAICS code 211112.</p>
Manufacturing Inventory Property Tax Adjustment Credit West Virginia Code §11-13Y-1 <i>et seq.</i>	<p>Corporate net income tax credit for property tax paid on inventories not otherwise offset by the Freeport property tax exemption. Available for businesses having a NAICS code prefix 31, 32 or 33</p>
West Virginia commercial patent incentives tax credit West Virginia Code §11-13AA-1 <i>et seq.</i>	<p>Tax credit for entities having a contract with WVU or Marshall and engaging in patent development, equal to 20% or 30% of royalties and "other consideration received" from the sale lease or licensing of a patent developed in West Virginia.</p> <p>Tax credit in the amount of 20% or 30% of net profits attributable to a patent of a "person directly using a patent developed in West Virginia in a manufacturing product or process in West Virginia."</p> <p>The credit offsets corporate net income tax and personal income tax for up to 10 years.</p>
Freeport Property Tax Exemption West Virginia Code §§ 11-5-13, WV Constitution Art. X, § 1c	<p>Exempts finished goods destined to be delivered in interstate commerce from the property tax</p>
Special Property Tax Valuation For Air & Water Pollution Abatement Equipment West Virginia Code §11-6A-1 <i>et seq.</i>	<p>Special property tax valuation at 5% of cost instead of fair market value: <math>((5\% \times \text{Cost of the Property}) \times 60\%) \times \text{Rate} = \text{Tax}</math></p>
Special Property Tax Valuation For Molds, Jigs, dies, forms, patterns & templates directly used in manufacturing West Virginia Code §11-6E-1 <i>et seq.</i>	<p>Special property tax valuation -- The lower of fair market salvage value or (5% of cost) = the value on which property tax is calculated.</p>
Special Property Tax Valuation For Certain Aircraft West Virginia Code §11-6H-1 <i>et seq.</i>	<p>Special property tax valuation on aircraft owned or leased by commercial airlines or private carriers: The lower of fair market salvage value or (5% of cost) = the value on which property tax is calculated.</p>

<p>Special Property Tax Valuation For Qualified High Technology Property</p> <p>West Virginia Code §11-6J-1 <i>et seq.</i></p>	<p>Special property tax valuation on servers &amp; tangible personal property directly used in a high-technology business or in an internet advertising business. The value on which property tax is calculated for this property is 5% of the original cost of the property.</p> <p>“High technology business” is defined as a business primarily engaged in 1 or more of the following activities: Computer hardware design &amp; development; computer software design, development, customization &amp; upgrade; computer systems design &amp; development; website design &amp; development; network design &amp; development; design &amp; development of new manufactured products which incorporate computer hardware &amp; software; electronic data processing; network management, maintenance, engineering, administration &amp; security services; website management, maintenance, engineering, administration &amp; security services &amp; computer systems management, maintenance, engineering, administration &amp; security services.</p>
<p>Special Property Tax Valuation Five for ten program</p> <p>West Virginia Code §11-6F-1 <i>et seq.</i></p>	<p>Special property tax valuation -- Investments greater than \$50M in a manufacturing facility having \$100M or more of preexisting investment in place prior to the new investment are valued at 5% of cost of the new investment for property tax purposes. For capital additions certified on or after July 1, 2011, the value of the land before any improvements is subtracted from the value of the capital addition, and the unimproved land value is not given salvage value treatment.</p> <p>For facilities classified with NAICS code 211112 (natural gas fractionating), and for manufacturing facilities that use product produced at a facility with code number 211112, the 5% valuation is available for investments greater than \$10M in a facility having \$20M or more of preexisting investment in place prior to the new investment.</p> <p>5% valuation is available for investments in certain property having a combined original cost that exceeds \$2 billion, relating, as specified, to facilities classified with NAICS code 211112 or 2<sup>nd</sup> tier or 3<sup>rd</sup> tier downstream users of the 211112 product. Such valuation applies for a period of <b>25 years</b> (instead of the 10 year period otherwise applicable).</p>
<p>Payment in lieu of taxes (PILOT)</p> <p>West Virginia Code §§ 7-11B-3(b)(18) &amp; (20), 7-11B-8(c)(4), 7-11B-15(a)(7) &amp; (15), 7-11B-18, 8-19-4, 8-29A-7, 8A-12-12, 5D-1-14, 11-13C-5(l)(1)(A), 16-13A-21, 16-15-18(b)(6), 17-16A-16(b), 17-16B-20(b), &amp; 18-9A-12(c).</p>	<p>If property is owned by a tax exempt entity, such as the State Economic Development Authority or a local EDA exempt under WV Code §7-12-10, (e.g., based on transfer of ownership for securitization of financing), then a negotiated payment in lieu of property tax is potentially available. Payments in lieu of taxes are typically unavailable if property is not owned by a tax exempt entity.</p>
<p>Sales &amp; Use Tax “Direct Use In Research” Exemption</p> <p>West Virginia Code §11-15-9b</p>	<p>Exemption from 6% sales &amp; use tax for tangible personal property &amp; services directly used in research and development.</p>
<p>Sales &amp; Use Tax “Direct Use In Manufacturing” Exemption</p> <p>West Virginia Code §11-15-9(b)(2)</p>	<p>Exemption from 6% sales &amp; use tax for tangible personal property &amp; services directly used in manufacturing</p>
<p>Sales &amp; Use Tax “Contractors’ Pass Through” Exemption</p> <p>West Virginia Code §§11-15-9(b)(2) and 11-15-8d.</p>	<p>Exemption from 6% sales &amp; use tax for contractor purchases of building materials &amp; process equipment incorporated into a manufacturing facility for direct use in manufacturing or into certain warehouse or goods distribution facilities.</p>

<p>Sales &amp; Use Tax High-Technology Exemptions for</p> <p>sales of</p> <ul style="list-style-type: none"> <li>computer hardware &amp; software incorporated into manufactured products; or directly used in communication;</li> </ul> <p>sales of</p> <ul style="list-style-type: none"> <li>electronic data processing service;</li> <li>educational software,</li> <li>internet advertising;</li> <li>high-technology business services in fulfillment of a government contract;</li> </ul> <p>sales of</p> <ul style="list-style-type: none"> <li>tangible personal property for direct use in a high-technology business or internet advertising business</li> </ul> <p>West Virginia Code §11-15-9h</p>	<p>Exemption from 6% sales &amp; use tax for tangible personal property &amp; services.</p> <p>“High technology business” is defined as a business primarily engaged in 1 or more of the following activities: Computer hardware design &amp; development; computer software design, development, customization &amp; upgrade; computer systems design &amp; development; website design &amp; development; network design &amp; development; design &amp; development of new manufactured products which incorporate computer hardware &amp; software; electronic data processing; network management, maintenance, engineering, administration &amp; security services; website management, maintenance, engineering, administration &amp; security services &amp; computer systems management, maintenance, engineering, administration &amp; security services.</p>
<p>Accelerated deduction for investment in pollution control equipment</p> <p>West Virginia Code §11-24-6(e)</p>	<p>Immediate corporate net income tax deduction</p>