



STATE OF WEST VIRGINIA
Department of Revenue
State Tax Department

Earl Ray Tomblin
Governor

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Craig A. Griffith
State Tax Commissioner

OFFICE OF THE SECRETARY OF STATE
STATE OF WEST VIRGINIA

ADMINISTRATIVE NOTICE 2012-23

SUBJECT: ECONOMIC OPPORTUNITY TAX CREDIT – Credit Available for Taxpayers Who Do Not Satisfy the New Jobs Percentage Requirement – Notice of Inflation Adjustments for Tax Year Beginning in 2013

W. Va Code §11-13Q-22 allows any tax payer;

engaged in one or more of the industries or business activities specified in section nineteen [§11-13Q-19] of this article which does not satisfy the new jobs percentage requirement prescribed in subsection (c), section nine of this article [§11-13Q-9] or, if the taxpayer is a small business as defined in section ten of this article [§11-13Q-10], who are unable to create at least ten new jobs within twelve months after placing qualified investment into service as required by section ten of this article [§11-13Q-10], but which otherwise fulfills the requirements prescribed in this article, is permitted to claim a credit against the taxes specified in section seven of this article [§11-13Q-7] in the order so specified that are attributable to and the consequence of the taxpayer's business operations in this state which result in the creation of net new jobs. Credit allowed under this section shall be allowed beginning in the tax year when the new employee is first hired: Provided, That each new job:

- 1) Pays at least \$32,000 annually;
- 2) Provides health insurance and may offer benefits including child care, retirement or other benefits; and
- 3) Is a full-time, permanent position, as those terms are defined in section three of this article.

The minimum annual pay of the new job is subject to annual adjustment for inflation. This adjustment is determined by the Tax Commissioner using the methodology described in subsection 11-13Q-22(b)(1) through (4). The 2013 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2012 exceeds the CPI for calendar year 2009. For this purpose, the CPI for any calendar year is the average of the Federal Consumer Price Index for the twelve-month period ending on August 31st of such calendar year (W. Va. Code § 11-13Q-22(b)(2)). The CPI for 2012 is 228.149 and the CPI for 2009 is 214.002. Based on

these figures, the inflation adjustment factor, for purposes of W. Va. Code § 11-13Q-22, for tax years beginning in calendar year 2013, is 1.0661068588.

Accordingly, for tax years beginning during calendar year 2013;

"That each new job:

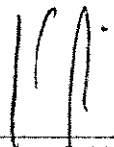
- 1) Pays at least \$34,100 annually;
- 2) Provides health insurance and may offer benefits including child care, retirement or other benefits; and
- 3) Is a full-time, permanent position, as those terms are defined in section three of this article."

A summary of the applicable inflation-adjusted Economic Opportunity Tax credit criteria, by calendar year, for tax years beginning in such years, follows;

Constraints Year	Median Compensation
2009	\$32,000
2010	\$32,000
2011	\$32,450
2012	\$33,250
2013	\$34,100

Notice of this determination will be filed in the West Virginia Register.

Issued: December 31, 2012



Craig A. Griffith
State Tax Commissioner

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TDD Service/Hearing impaired 1-800-282-9822