



STATE OF WEST VIRGINIA  
Department of Revenue  
State Tax Department

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OFFICE WEST VIRGINIA  
SECRETARY OF STATE

ADMINISTRATIVE NOTICE 2013-21

**ECONOMIC OPPORTUNITY TAX CREDIT:** Small Business  
Economic Opportunity Tax Credit (Small Business Credit) - Notice  
of Inflation Adjustments for Tax Years Beginning in 2014

A "**small business**" may claim the small business economic opportunity tax credit allowed under W. Va. Code § 11-13Q-10, when its qualified investment in real or tangible personal property purchased or leased for business expansion in this State, as defined in W. Va. Code § 11-13Q-8, results in the small business hiring new employees to fill at least ten (10) "**new jobs**" it created in this State as a direct result of the purchase or lease of the qualified investment property.

The law defined "**small business**," as of June 11, 2002, to mean a business which has annual gross receipts of not more than seven million dollars (including the gross receipts of all affiliates in its controlled group) W. Va. Code § 11-13Q-10(a) (emphasis added).

"**New job**" was defined by incorporating the definition of "**new job**" in subsection 11-13Q-3(b)(15).

Dollar amounts stated in the definition of "**small business**" are subject to annual adjustment for inflation. This adjustment is determined by the State Tax Commissioner using the methodology described in subsection 11-13Q-10(a)(1) through (4). The 2014 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2013 exceeds the CPI for calendar year 2002. 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-10(a)(2)). The CPI for 2013 is 232.018 and the CPI for 2002 is 178.675. Based on these figures, the inflation adjustment factor, for purposes of W. Va. Code § 11-13Q-10, for tax years beginning in calendar year 2014, is 1.298547642

Accordingly, for tax years beginning during calendar year 2014:

"**Small business**" means a business which has annual gross receipts of not more than nine million, eighty nine thousand, eight hundred dollars (\$9,089,800). The inflation increase is rounded to the lowest multiple of fifty dollars under W. Va. Code § 11-13Q-10(a)(4).


A summary of the applicable inflation-adjusted Small Business Credit criteria, by calendar year, for tax years beginning in such years, follows:

**CRITERIA**

<b>Constraints Year</b>	<b>Gross Receipts</b>
2003	\$7,000,000
2004	\$7,159,600
2005	\$7,324,500
2006	\$7,552,050
2007	\$7,846,850
2008	\$8,026,350
2009	\$8,368,450
2010	\$8,384,000
2011	\$8,507,850
2012	\$8,714,300
2013	\$8,938,250
2014	\$9,089,800

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

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