

WEST VIRGINIA STATE TAX DEPARTMENT
Administrative Notice 2004-22

SUBJECT: ECONOMIC OPPORTUNITY TAX CREDIT -- Notice of Statewide Average Nonfarm Payroll Wage for Tax Years Beginning in 2005

Application of Current Year Annual Credit Allowance - As stated in subsection 11-13Q-7(b) of the W. Va. Code, the amount of aggregate annual credit allowance for the current taxable year is allowed as a credit against eighty percent of that portion of the Taxpayer's State tax liability which is attributable to and the direct result of the Taxpayer's qualified investment, and applied against the taxes enumerated in W.Va. Code subsections 11-13Q-7(c) through 11-13Q-7(f), both inclusive, and in the order specified: *Provided*, That if the median salary of the new jobs is higher than the statewide average nonfarm payroll wage, as determined annually by the West Virginia Bureau of Employment Programs, the amount of aggregate annual credit allowance for the current taxable year is allowed as a credit against one hundred percent of that portion of the Taxpayer's State tax liability which is attributable to and the direct result of the Taxpayer's qualified investment, and shall be applied, as provided in W.Va. code subsections 11-13Q-7(c) through 11-13Q-7(f), both inclusive, and in the order specified.

The law defined "**aggregate annual credit allowance for the current taxable year**" to mean the sum of the following:

1. The one-tenth part allowed under W. Va. Code 11-13Q-4 for qualified investment placed into service or use during a prior taxable year; plus
2. The one-tenth part allowed under W. Va. Code 11-13Q-4 for qualified investment placed into service or use during the current taxable year; plus
3. The one-tenth part allowed under W. Va. Code 11-13Q-5 for locating corporate headquarters in this State; or the amount allowed under section ten of this article of the taxable year.

Accordingly, for tax years beginning during calendar year 2005:

"Statewide Average Nonfarm Payroll Wage" for purposes of determining the portion of the Taxpayer's State tax liability against which the Economic Opportunity Tax Credit may be applied, is \$29,284.

A summary of the applicable annual **Statewide Average Nonfarm Payroll Wage** criteria, by calendar year, for tax years beginning in such years, follows:

CRITERIA

Calendar Year	Statewide Average Nonfarm Payroll Wage

2003	\$27,981
2004	\$28,615
2005	29,284

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

Issued: October 25, 2004

Dale W. Steager
Acting Tax Commissioner

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