



STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

COPY

Earl Ray Tomblin  
Governor

Craig A. Griffith  
State Tax Commissioner

ADMINISTRATIVE NOTICE 2011-21

SUBJECT: ECONOMIC OPPORTUNITY TAX CREDIT --- High Technology  
Manufacturer Median Compensation - Notice of Inflation  
Adjustment for Tax Years Beginning in 2012

A "high technology manufacturing business" may claim the Economic Opportunity Tax Credit allowed for specified high technology manufacturers when the business' qualified investment in a new or expanded high technology business in West Virginia results in the creation of at least twenty new jobs within twelve months after placing qualified investment into service, and the median compensation of the new jobs attributable to the qualified investment is greater than the inflation-adjusted value specified herein.

For purposes of the Economic Opportunity Tax Credit allowed for specified high technology manufacturers, a "high technology manufacturing business" is defined in W. Va. Code § 11-13Q-10a(a) and is limited to only those businesses engaging in a manufacturing activity properly classified as having one or more of the following six-digit North American Industry Classification System code numbers.

North American Industry Classification System 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

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333295	Semiconductor Machinery
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The median compensation of the new jobs for purposes of the Economic Opportunity Tax Credit allowed for specified high technology manufacturers is subject to annual adjustment for inflation. This adjustment is determined by the State Tax Commissioner using the methodology described in subsection 11-13Q-10a(c)(3). The 2012 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2011 exceeds the CPI for calendar year 2007. 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-10a(c)(3)(C)).

The CPI for 2011 is 222.433 and the CPI for 2007 is 204.873. Based on these figures, the inflation adjustment factor, for purposes of W. Va. Code § 11-13Q-10a(c)(3), for tax years beginning in calendar year 2012, is 1.085711636.

Accordingly, for tax years beginning during calendar year 2012:

The required median compensation of new jobs attributable to the qualified investment for purposes of the Economic Opportunity Tax Credit allowed for specified high technology manufacturers is forty-eight thousand, eight hundred fifty dollars (\$48,850). The inflation increase is rounded to the lowest multiple of fifty dollars under W. Va. Code § 11-13Q-10a(c)(3)(D).

A summary of the applicable inflation-adjusted specified high technology manufacturer median compensation criteria, by calendar year, for tax years beginning in such years, follows:

**CRITERIA**

<b>Constraints Year</b>	<b>Median Compensation</b>
2008	\$ 45,000
2009	\$ 46,900
2010	\$ 47,000
2011	\$ 47,650
2012	\$ 48,850

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

Issued: September 21, 2011



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Craig A. Griffith  
State Tax Commissioner

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