



STATE OF WEST VIRGINIA
Department of Revenue
State Tax Department

Earl Ray Tomblin
Governor

Mark W. Matkovich
State Tax Commissioner

FILED

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ADMINISTRATIVE NOTICE 2014-24

OFFICE WEST VIRGINIA
SECRETARY OF STATE

**ECONOMIC OPPORTUNITY TAX CREDIT:
Credit Available for Taxpayers Who Do Not Satisfy the New Jobs Percentage Requirement
Notice of Inflation Adjustment for Tax Years Beginning in 2015**

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. Beginning January 1, 2010, and on January 1 of each year thereafter, the commissioner shall prescribe an amount that shall apply in lieu of the \$32,000 amount during that calendar year. This amount is prescribed by increasing the \$32,000 figure by the cost-of-living adjustment for that calendar year;
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 [§11-13Q-3].

The minimum annual pay of the new job is subject to annual adjustment for inflation. This adjustment is determined by the State Tax Commissioner using the methodology described in subsection 11-13Q-22(b)(1) through (4). The 2015 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2014 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 2014 is 235.685 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 2015, is 1.1013214830.

Accordingly, for tax years beginning during calendar year 2015; the required minimum compensation of new jobs for purposes of the Economic Opportunity Tax Credit allowed for Taxpayers which do not satisfy the new jobs percentage is thirty five thousand, two hundred dollars (\$35,200).

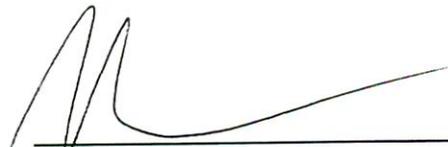
A summary of the applicable inflation-adjusted minimum compensation criteria, by calendar year, for tax years beginning in such years, follows:

CRITERIA

Constraints Year	Minimum Compensation
2009	\$32,000
2010	\$32,000
2011	\$32,450
2012	\$33,250
2013	\$34,100
2014	\$34,650
2015	\$35,200

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

Issued: October 24, 2014



Mark W. Matkovich
State Tax Commissioner