

ADMINISTRATIVE NOTICE 2008-26

**SUBJECT: ECONOMIC OPPORTUNITY TAX CREDIT --- High Technology
Manufacturer Median Compensation - Notice of Inflation
Adjustment for Tax Years Beginning in 2009**

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
	Computer & Peripheral Equipment
334111	Electronic Computers
334112	Computer Storage Devices
	Electronic Components
334411	Electron Tubes
334414	Electronic Capacitors
	Semiconductors
334413	Semiconductor & Related Devices
333295	Semiconductor Machinery

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 2009 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2008 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 2008 is 213.605 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 2009, is 1.0426215265.

Accordingly, for tax years beginning during calendar year 2009:

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-six thousand, nine hundred dollars (\$46,900). 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

Year	Median Compensation
2008	\$45,000
2009	\$46,900

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

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State Tax Department
Taxpayer Services Division
P.O. Box 3784
Charleston, WV 25337-3784

Christopher G. Morris
State Tax Commissioner

Operator on duty 8:30 am – 5:00 p.m.
Monday through Friday
Phone: (304) 558-3333 or 1-800-982-8297
Fax: (304) 558-3269
TDD Service/Hearing Impaired 1-800-282-9822