



STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

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Governor

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State Tax Commissioner

FILED

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ADMINISTRATIVE NOTICE 2017-23

ECONOMIC OPPORTUNITY TAX CREDIT:

Small Business Economic Opportunity Tax Credit  
(Small Business Credit) - Notice of Inflation Adjustments  
for Tax Years Beginning in 2018

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

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 2018 inflation adjustment factor is based on the percentage by which the Consumer Price Index (CPI) for calendar year 2017 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 2017 is 243.392 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 2017, is 1.3622.

Accordingly, for tax years beginning during calendar year 2018:

"**Small business**" means a business which has annual gross receipts of not more than nine million, five hundred thirty-five thousand, four hundred dollars (\$9,535,400). 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	\$7,552,500
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
2015	\$9,233,450
2016	\$9,275,150
2017	\$9,349,750
2018	\$9,535,400

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

Issued: November 30, 2017

  
Dale W. Steager, State Tax Commissioner