

WEST VIRGINIA STATE TAX OVERVIEW

| <u>Tax</u> | <u>Tax Base</u> | Calendar Year 2016 <u>Tax Rate</u> |
|-------------------------|---|---|
| Business Registration | Fee per business location | \$30 (one-time fee) |
| Corporation Net Income | Federal taxable income with modifications apportioned and allocated to WV | 6.5% |
| Severance ¹ | Gross receipts attributable to natural resource production | Various rate--coal 1.50%--timber 5.00%--oil, gas, coalbed methane |
| Business and Occupation | Gross receipts or units of activity: | |
| | Public utility services | 4.40%--water 4.29%--natural gas 2.86%--other |
| | Natural gas storage | \$0.05 per net dekatherm |
| | Electric power production | Generally capped at the average tax for the 1991-1994 period |
| Health Care Provider | Gross receipts | 1.75% - 5.50% ² |
| Acute Care Hospital | Gross receipts | 0.72% ³ |
| Insurance | Gross premiums | 3%-5.5% |

¹Temporary Severance Taxes of 56 cents per ton on coal, 4.7 cents per MCF on natural gas and coalbed methane, and 2.78% on timber expire on June 30, 2016. After that date, the temporary moratorium on the Severance Tax on timber will be eliminated, and timber will be taxed at 1.50%.

²The maximum rate will decrease from 5.72% to 5.50% on July 1, 2016.

³Tax rate increases to 0.74% on July 1, 2016.

| <u>Tax</u> | <u>Tax Base</u> | <u>Calendar Year 2016 Tax Rate</u> |
|--------------------------------|--|--|
| Consumers Sales & Use | Sales of tangible personal property and certain services | 6% |
| Local Sales & Use ¹ | Same as State | Up to 1% (in addition to State rate) |
| Personal Income | Federal adjusted gross income with WV adjustments | 3% - 6.5% graduated |
| Motor Fuel Excise | Gallon of conventional motor fuel | 20.5 cents per gallon ² |
| Motor Fuel Sales | 5% of average wholesale price of conventional motor fuel | 12.7 cents per gallon ² |
| Beer | Barrel | \$5.50 per barrel |
| Cigarette | Pack of 20 | 55 cents per pack |
| Other Tobacco Products | Gross invoice price | 7% |
| Soft Drinks | Half-liter | 1 cent |
| Wine Liter | Liter | \$.26406 per liter |

¹ Currently 16 municipalities impose a local sales and use tax. Twelve more municipalities will begin imposing a local sales and use tax on July 1, 2016.

² Rates for other fuels can be found in Administrative Notice 2015-26.