



October 21, 2011

State of West Virginia  
D.O.A. Purchasing Division  
2019 Washington Street East  
P.O. Box 50130  
Charleston, WV 25305-0130  
Attn: Shelly Murray

Dear Ms. Murray:

Please find enclosed V.G. REED & SONS' INC signed RFQ #TAX12005 for Printing of Corporate Net Income/Business Franchise Tax Booklets for 2011. Included are three samples of the Corporate Net Income/Business Tax booklets that we printed for you in 2010. These represent the exact paper and perforations that will be used for the 2011 booklets if V.G. REED & SONS is awarded the contract. Additionally, we have included a sample of a 2009 North Carolina tax booklet and PEIA Shopper's Guide.

In addition to our history working with the West Virginia D.O.R., V.G. REED & SONS INC currently prints tax booklets for North Carolina, Montana and Missouri, and in the past has printed tax books for Indiana and Kentucky. References can be furnished upon request.

V.G. REED & SONS INC can meet the required delivery schedule and we hope to have the privilege of working with you on this project. If I can answer any questions or provide more information, please do not hesitate to contact me on 800-635-9788, ext. 123 or [jon.atherton@vgreed.com](mailto:jon.atherton@vgreed.com).

Thank you for extending the courtesy of your consideration to V.G. REED & SONS INC.

Best Regards,

  
Jon M. Atherton  
Senior Account Executive

RECEIVED

2011 OCT 25 PM 2:51

WV PURCHASING  
DIVISION



State of West Virginia  
Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER

TAX12005

PAGE

1

ADDRESS CORRESPONDENCE TO ATTENTION OF:

SHELLY MURRAY  
304-558-8801

\*731133346 502-560-0123

V G REED & SONS INC  
1002 SOUTH 12TH ST

LOUISVILLE KY 40210

STATE TAX DIVISION  
TAX ACCOUNT ADMINISTRATION

1001 LEE STREET E, 3RD FLOOR  
CHARLESTON, WV  
25301-1725 304-558-8700

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
10/13/2011				

BID OPENING DATE:

11/17/2011

BID OPENING TIME

01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		966-50		
CORPORATION NET INCOME/BUSINESS FRANCHISE TAX BOOKS						
REQUEST FOR QUOTATION (RFQ) OPEN END CONTRACT						
THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, THE WEST VIRGINIA DEPARTMENT OF TAX AND REVENUE, IS SOLICITING BIDS TO PROVIDE THE AGENCY WITH PRINTING AND DISTRIBUTION OF CNF-120 2011 WEST VIRGINIA CORPORATION NET INCOME/BUSINESS TAX INSTRUCTIONS AND FORMS BOOKLET WITH ADDRESS LABELS PER THE ATTACHED SPECIFICATIONS.						
TECHNICAL QUESTIONS CONCERNING THIS SOLICITATION MUST BE SUBMITTED IN WRITING TO SHELLY MURRY AND ALAN CUMMINGS IN THE WEST VIRGINIA STATE PURCHASING DIVISIO VIA FAX AT 304-558-4115 OR VIA EMAIL AT SHELLY.L.MURRY@WV.GOV AND ALAN.W.CUMMINGS@WV.GOV.						
DEADLINE FOR ALL TECHNICAL QUESTIONS IS OCTOBER 26, 2011 AT THE CLOSE OF BUSINESS.						
ANY TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL WRITTEN ADDENDUM TO BE ISSUED AFTER THE DEADLINE HAS LAPSED						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	502-560-0123	10-21-11
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Senior Acct. Executive	61-0561589	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



## GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

### INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).





State of West Virginia  
Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

# Request for Quotation

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TAX12005

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ADDRESS CORRESPONDENCE TO ATTENTION OF:

SHELLY MURRAY  
304-558-8801

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E  
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\*731133346 502-560-0123  
V G REED & SONS INC  
1002 SOUTH 12TH ST  
LOUISVILLE KY 40210

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STATE TAX DIVISION  
TAX ACCOUNT ADMINISTRATION  
1001 LEE STREET E, 3RD FLOOR  
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25301-1725 304-558-8700

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01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	EXHIBIT 10					
				REQUISITION NO.: .....		
	ADDENDUM ACKNOWLEDGEMENT					
	I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.					
	ADDENDUM NO.'S:					
	NO. 1 .....					
	NO. 2 .....					
	NO. 3 .....					
	NO. 4 .....					
	NO. 5 .....					
	I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.					
	VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.					

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	502-560-0123	10-21-11
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Senior Acct. Exec.	61-0561589	

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
..... SIGNATURE ..... COMPANY ..... DATE						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.  REV. 09/21/2009  EXHIBIT 3  LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.  UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.  RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30)						

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DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.						
CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.						
OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)						
QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.						
ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.						
BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	502-560-0123	10-21-11
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Senior Acct. Executive	61-0561589	

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FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.						
THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.						
REV. 05/26/2009						
PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.						
NOTICE						
A SIGNED BID MUST BE SUBMITTED TO:						
DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130						
THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	502-560-0123	10-21-11
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
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10/13/2011				

BID OPENING DATE: 11/17/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
SEALED BID						
BUYER:			SHELLY MURRAY - FILE 31			
RFQ. NO.:			TAX12005			
BID OPENING DATE:			11/17/2011			
BID OPENING TIME:			1:30 PM			
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						
-----			502-560-0197			
CONTACT PERSON (PLEASE PRINT CLEARLY):						
-----			Jan Atherton			
***** THIS IS THE END OF RFQ TAX12005 ***** TOTAL:						
						25,892.85

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE		DATE
<i>Jan Atherton</i>	502-560-0123		10-21-11
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	
Senior Acct. Exec.	61-0561589		

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## Request for Quotation TAX12005

The West Virginia Purchasing Division for the agency, the West Virginia State Tax Division is soliciting bids to provide the agency with printing and distribution of **Corporation Net Income/Business Franchise Tax** instructions and forms booklet with address labels.

### SCOPE OF WORK

Quantities are approximate; actual quantities will be provided when addressing information is accumulated.

- Item 1. CNF-120 2011 West Virginia Corporation Net Income Tax/ Business Franchise Tax Booklet...**35,000** each
  - a. Additional cost to add four pages of newsprint.
  - b. Additional cost to add four pages of offset paper.
- Item 2. Cost of Author's Alterations
- Item 3. Cost for postal permits.
- Item 4. Cost of freight or shipping charges to complete bulk and direct mailings.
- Item 5. Successful vendor **MUST** provide alternate pricing per thousand for exact rerun of item 1 with a minimum reorder quantity of 1,000.

NOTE: Samples of prior year booklets are provided for informational purposes only.  
Please see the listing of specifications provided for exact details.

### Overview

Printing prices and mailing prices are to be quoted separately. Separate unit price (per thousand) is requested on the printing. Separate unit price (per piece) is requested on the mailing. Successful vendor must obtain bulk rate permit number at post office if other than Charleston, WV. Price for permit and any annual charges must be itemized and are to be included in this bid. All postage will be paid by the West Virginia State Tax Division. The remainder is to be delivered to the West Virginia State Tax Division FOB destination with all shipping charges being included in the print price.

Files are encrypted using PGP and then are FTP'd to a secured server provided by vendor or a CD ROM will be furnished to the vendor, containing the addressing



information necessary to prepare labels. Any other use of information electronically transmitted, contained on the CD ROM, conversions or copies thereof, is strictly prohibited. All CD ROMs must be returned to the West Virginia State Tax Division within thirty (30) days from the mailing of the packets. Vendor is required to convert the information provided by the West Virginia State Tax Division into their required formats.

**Award:**

The contract will be awarded to the vendor whose bid results in the West Virginia State Tax Division incurring the least cost for printing and mailing of these booklets. The effective date of this contract starts December 22, 2011.

**Section 1: Printing Specifications:**

A PDF version of all files, including barcodes, will be supplied to the successful vendor after award of contract.

Booklet is to be flat size 17" X 11", folded to 8 ½" X 11". Binding is to be saddle stitched with staples at the fold. The finished booklet is to weigh no more than four (4) ounces. Further paper specifications are as follows:

- 32 printed pages (8 signatures) 50# white commodity offset or equal - brand reference: Springhill Offset, minimum brightness 75, minimum opacity 84. (Book pages 1 & 2, 11 through 38, and 47 & 48)
- 16 pages (4 signatures) 30# newsprint - proposed stock must have appropriate opacity to minimize "show-through" of printing on reverse sides of sheet. Minimum brightness 56, minimum opacity 89. (Book pages 3 through 10 and 39 through 46)

There will also be a ¼" bleed around the first and last pages.

All form pages within the booklet require a full-length vertical perforation 8 ½" from the trimmed edge to fall within the gutter of the booklet. Successful vendor must guarantee that packet will remain intact under normal handling and mailing conditions. The perforations must allow for the easy removal of forms without tearing them but must not allow pages to fall out in normal handling and labeling operations. This should be consistent throughout the run. Detached size must remain 8 ½" +/- 0 x 11" +/- 1/16" and printed text area must remain an 7.5" x 10".

The colors of black and PMS 1585 orange will be used. PMS 1585 orange will be used on the cover as well as dropout ink on the forms. Exact colors will be discussed with the vendor that is awarded the contract.



All pages printed must be reproduced using the offset method of printing only. All work must be performed in a thorough, accurate and first-class manner. Presswork shall be of first grade, producing a clear, clean, and sharp impression. The Tax Division reserves the right to have a representative present at the successful vendor's facility to review and approve the initial press run of the booklet. **This must take place during normal work hours.**

Successful bidder must contact Sara Hughes at 304-558-8655 or Jason P. Smith at 304-558-8345 immediately after award of bid and prior to any proofs being prepared to receive and discuss "final copy".

Two copies of proofs are required within ten (10) working days, or some other time frame acceptable to the West Virginia State Tax Division, from the date of the purchase order stating the exact quantity to be ordered. One copy of the proofs will be returned to the printer within ten (10) working days of the date received indicating approval or required corrections. Corrected proofs, if necessary, must be furnished to the West Virginia State Tax Division. Prior to printing the booklets, printer must furnish a blue-line proof (actual mockup) for final approval.

The West Virginia State Tax Division reserves the right to make any changes or corrections to proofs required by the Secretary's, Tax Commissioner's, or Legislature's directive before final approval without cost to the Division.

If any part of this job is sub-contracted, the bidding vendor remains responsible for meeting the requirements of this bid through the sub-contractor.

All printed matter is to be boxed and palletized (when applicable) with each box not to exceed 40 lbs. in weight and 100 inches in girth. Each box is to be labeled as to form name, total forms per box, and the year from the front of the packet.

Delivery of this order (except for packets needed for the January mailing by the vendor selected to mail the packets) must be made to the West Virginia State Tax Division's warehouse at 1315 Hansford Street, Charleston, WV 25301, on or before January 15, 2012. Successful bidder is to contact Sara Hughes at 304-558-8655 or Jason P. Smith at 304-558-8345 to find out the quantities to be delivered to the Division's warehouse and the quantities to be held for the January mailing.

According to West Virginia State Code §5A-3-4(8), the successful bidder agrees that liquidated damages shall be imposed at the rate of \$1,000.00 per day for failure to provide deliverables, meet goals identified to keep the project on target or failure to meet specified deadlines. This clause shall in no way be considered exclusive and shall not limit the State of West Virginia or the West Virginia State Tax Division's right to pursue any other additional remedy to which the State of West Virginia or the West Virginia State Tax Division may have legal cause for action including further damages and penalties against the successful bidder.



Forms are to be shipped FOB destination.

## **Section 2: Mailing Specifications:**

Mailing services includes the preparation of address labels (Avery Item 5960, 1"X2-5/8" or equivalent), that will be supplied by the vendor, based upon data supplied by the Division from the Division's database. The Division will supply the information to be printed on the labels via encrypted files using PGP and then FTP'd to a secured server provided by the vendor or on CD ROM with file layout. The mailer must be U.S. Postal Service CASS certified and have current database for inclusion of ZIP+4, carrier route # and postnet bar codes in the address labels. The mailer must take the Division's data and convert it to ZIP+4 carrier route presort with the appropriate information printed on the label.

Quantities listed in this section for mailing are estimated based upon the number of accounts on record with the Tax Account Administration Division at the time these specifications were prepared. The actual quantities are governed by the Division's record of taxpayers to be mailed returns at the time the mailing tapes are cut.

Estimated quantity is 35,000 booklets and 29,000 labels.

Mailer must produce one (1) set of labels from the supplied State Tax Division database. This part of the mailing will involve approximately 29,000 booklets. The address labels are to be affixed to the outside cover of the tax booklets. Note: outside label must not show the identification number above the name.

Vendor will then take the labeled booklets and separate, tie, sack, and prepare them for mailing in accordance with postal regulations as required at a date to be determined by the State Tax Division between January 20, 2012 and January 31, 2012. All addresses that qualify are to be mailed at the carrier route postage rate with the residual mailed at the lowest rate possible.

Postage will be paid by the Division. The Division's bulk rate postage permit number is printed on the booklets.

If the mailer desires to use a post office other than Charleston, West Virginia, they should disclose the location in their bid. Successful vendor must then obtain Bulk Rate Permit number at that location and advise the Division of the number for inclusion on the postal indicia. Price for permit at the alternate location and any annual charges must be itemized and are to be included in this bid.

The mailer must bear any cost resulting from postal damage or mistakes in the mailing process.



**State owned materials:**

All CD ROMs must be returned to the State Tax Division at WV State Tax Department, Tax Account Administration, Attention Sara Hughes, 1001 Lee St. East, Charleston, WV 25301 within 30 days.

All files, negatives, plates, and camera-ready material shall become the property of the State of West Virginia and shall be mailed or delivered to the West Virginia State Tax Division when printing is completed.

**Correspondence and Invoicing**

All correspondence, freight bills, and invoices must include the State Tax Division purchase order and form number. Receipts for freight charges and itemized original invoices must be submitted to the State Tax Division, Attn: Operations Division, P.O. Box 11748, Charleston, WV 25339-1748. Postal receipts must be submitted to the State Tax Division, Tax Account Administration, Attention: Sara Hughes, 1001 Lee Street East, Charleston, WV 25301, within five (5) days of mailing.

Successful vender is to contact Sara Hughes at 304-558-8655 or Jason P. Smith at 304-558-8345 as soon as the contract is awarded so that labeling and mailing schedules can be developed.

**Note:** Overruns will be accepted but not paid for. Underruns are unacceptable.

## VENDOR CHECKLIST FOR TAX12005

## SUBMISSIONS WITH BID

RequestMet/Included

1. Samples of paper stock

50# commodity offset (10)

30# newsprint (10)

2. Sample perforation on proposed stock (10)

3. Address imaging samples showing print format & style

4. Alternative bids for reruns

5. Author's alterations cost per unit

6. Comparable print projects list

✓  
 ✓  
 ✓  
 ✓  
 ✓  
 ✓  
 ✓



## OPEN-END CONTRACT

## 2011 CNF-120 Corporate Net Income Tax Booklet

## BOOKLET PRICING SHEET FOR TAX12005

Quantities listed in the requisition are approximations only, based on estimates supplied by the state spending unit. It is understood and agreed that the contract shall cover the quantities actually ordered for delivery during the term of the contract, whether more or less than the quantities shown.

Estimated quantity is 35,000; utilize the following formula for calculation:

[Price per Thousand] x [35] = extended price

	<u>Price Per Thousand</u>	<u>Extended Price</u>
Item 1. CNF-120 Corporate Net Income Tax Booklet	<u>397.32</u>	x [35] = <u>13,906.2</u>
Item 2. Cost of authors alterations	<u>125.00 per hour</u>	x [35] = _____
Item 3. Cost of postal permits	<u>185.00 flat</u>	x [35] = <u>185.00</u>
Item 4. Cost of freight (shipping charges) to complete the bulk and direct mailings	<u>26.46</u>	x [35] = <u>926.10</u>
Item 5. Successful vendor MUST provide alternate pricing per thousand for exact rerun of Item 1 with a minimum reorder quantity of 1,000	<u>310.72</u> <i>per add'l M</i>	x [35] = <u>10,875.55</u>
<b>TOTAL</b> (Sum of Extended price column: items 1 through 5)	<u>*4123.00</u> <i>1st Minimum for 1,000</i>	= <u>25,892.85</u>

NOTE: Samples of prior year booklets and labels are provided for informational purposes only. Please see the listing of specifications provided for exact details.



# West Virginia

# 2011

## FORMS & INSTRUCTIONS

### NEW FORM

**CNF-120W** West Virginia Withholding Tax Schedule  
Corporation Net Income Tax **2011**

CRS 5-11

Do NOT send NRW-2's, K-1's, and/or 1099's with your return.  
Enter WV withholding information below.

A - Payer Information		B - Taxpayer Information		C - WV Tax Withheld	
1. Payer ID from 1099, K-1, and/or NRW-2		Name		WV withholding	
Payer Name		FEIN		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
Address		Income Subject to WV withholding		Date tax year ending (MM/YY)	
City, State, ZIP		Enter WV withholding only			
2. Payer ID from 1099, K-1, and/or NRW-2		Name		WV withholding	
Payer Name		FEIN		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
Address		Income Subject to WV withholding		Date tax year ending (MM/YY)	
City, State, ZIP		Enter WV withholding only			
3. Payer ID from 1099, K-1, and/or NRW-2		Name		WV withholding	
Payer Name		FEIN		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
Address		Income Subject to WV withholding		Date tax year ending (MM/YY)	
City, State, ZIP		Enter WV withholding only			
4. Payer ID from 1099, K-1, and/or NRW-2		Name		WV withholding	
Payer Name		FEIN		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
Address		Income Subject to WV withholding		Date tax year ending (MM/YY)	
City, State, ZIP		Enter WV withholding only			

Total WV tax withheld from column C above \_\_\_\_\_  
If you have WV withholding on multiple pages, add the totals and enter the GRAND total on line 24, Form CNF-120



It is no longer necessary to send NRW-2's, K-1's and or 1099's with your return. Withholding information will now be entered on the CNF-120W (pages 21 & 22). This form **MUST BE SUBMITTED** to claim withholding for your Corporate Net Income Tax Return. Instructions are on page 38.



It is now possible to electronically file your Corporate Net Income Tax Return. Electronic filing is the preferred method for filing and allows the Tax Department to process data more quickly and issue refunds faster with few errors. If you filed a paper return for tax year 2010, we encourage you to file electronically this year.



# New for 2011

## Tax Law Changes

1. West Virginia Code §11-24-3 is updated to bring the meaning of federal taxable income and certain other terms used in the West Virginia Corporation Net Income Tax Act into conformity with their meaning for federal income tax purposes (Senate Bill 205).
2. Schedule UB, Unitary Combined Income Method of Reporting – West Virginia will require a combined report for unitary groups for tax years beginning on or after January 1, 2009 (§11-24-13a(j)).

## New Forms

1. UB-4CR – The UB-4CR is a Microsoft Excel spreadsheet that is available on our website for taxpayers who file combined returns. Additional information may be found on page 42 of this booklet.
2. CNF-120W – Beginning with the 2011 tax period, taxpayers are required to complete and submit the CNF-120W with their return. This form (pages 21 & 22) will be used to document withholding. **It is no longer necessary to send NRW-2's, K-1's, and/or 1099's with the return.** Detailed instructions may be found on page 38 of this booklet.

## Tax Rates

1. For tax years beginning on or after January 1, 2011, the Business Franchise Tax rate is the greater of \$50 or 0.34%. The Business Franchise Tax rate will phase-down to 0.27% in 2012, 0.20% in 2013, 0.10% in 2014 and 0.00% thereafter (§11-23-6).
2. For tax years beginning on or after January 1, 2010, the Corporation Net Income Tax rate is 8.5%. The Corporation Net Income tax rate will phase-down to 8.5% in 2010-2011, 7.75% in 2012, 7.0% in 2013 and 6.5% in 2014 (§11-24-4).

## New Tax Credits

1. **Commercial Patent Incentives Tax Credit (§11-13AA)** – For tax years beginning on or after January 1, 2011, the Commercial Patent Incentives Tax Credit is available for the following: (1) the development, in West Virginia, of plant patent, design patent, or patents for direct use in a manufacturing process or product, (2) the use of a patent in a manufacturing process or product in West Virginia when the patent was developed in West Virginia. See [www.wvtax.gov](http://www.wvtax.gov) for additional information.
2. **Alternative Fuels Credit (§11-6D)** – For tax years beginning on or after January 1, 2011, the Alternative-Fuel Tax Credit is available for (1) the purchase of a new dedicated or bi-fueled alternative-fuel motor vehicle for which the purchaser then obtains a valid West Virginia vehicle registration, (2) the conversion of a motor vehicle that is presently registered in West Virginia to operate exclusively on an alternative fuel, (3) the construction or purchase and installation of a qualified alternative fuel vehicle home refueling infrastructure in West Virginia that is capable of dispensing alternative fuel for alternative-fuel motor vehicles, (4) the construction or purchase and installation of a qualified alternative fuel vehicle refueling infrastructure in West Virginia that is capable of dispensing alternative fuel for alternative-fuel motor vehicles. See [www.wvtax.gov](http://www.wvtax.gov) for additional information.

## Amended Return

If you are filing an amended return, enter the amount of tax due and paid from the original return on line 25 of Form CNF-120. Enter the overpayment previously refunded or credited on line 27 of Form CNF-120.

## Administrative Changes

1. Electronic filing is available on-line for filing the Corporation Net Income/Business Franchise Tax Estimated Payment (Form CNF-120ES) and Tentative Payments (Form CNF-120T).
2. Due to the excessive volume of federal K-1's received, we no longer require a filed copy. However, the K-1's shall be made available upon request.
3. If you are a 52/53 week filer, check the box and enter the day of the week you started the business (ex. Monday, Tuesday, etc.).
4. Modernized Electronic Filing is now available for Corporate Net Income Tax Returns.

See website [www.wvtax.gov/electronicFilingForBusinesses.html](http://www.wvtax.gov/electronicFilingForBusinesses.html)

**\*\*Please read the instructions and include all supporting documents with the return. An incomplete return will not be accepted as timely filed.\*\***





# TAXPAYER RESPONSIBILITIES

## BUSINESS FRANCHISE TAX

### FILING YOUR BUSINESS RETURNS

Returns should be filed by the due date. You may obtain forms by calling the automated form ordering system at 1-800-422-2075. Forms may also be obtained from any of our regional field offices listed on the back of this booklet or from the State Tax Department website at [www.wvtax.gov](http://www.wvtax.gov).

Failure to file returns will result in your account being referred to our Compliance Division for corrective action. Please file all required tax returns even if you owe no tax for the reporting period. All applicable pages of the return must be filed.

### PAYMENT OF THE TAX

The full amount of tax owed is due and payable on the original due date of the tax return. Failure to pay the full amount of tax by the due date will result in interest and penalties being added to any unpaid amount of tax. If you are unable to pay the full amount of tax on the due date, you should file your tax return along with a written explanation of why you are unable to pay and when you will pay the tax due.

### REFUNDS

You are entitled to a refund of any amount that you overpaid. All or part of any overpayment may be applied as a credit against your liability for such tax for other periods. A claim for refund (usually a tax return showing an overpayment) must be filed within three years of the due date of the return or two years from the date the tax was paid, whichever expires later. The overpayment will be used by the Tax Department against other tax liabilities due.

If the Tax Department does not respond to your request within three months on overpayment of Business Franchise Tax and six months on overpayment of Corporation Net Income Tax, you may submit in writing a request for an administrative hearing to present your reasons why you feel you are entitled to the refund. Interest is allowed and paid on any refund upon which the Department has failed to timely act and which is final and conclusive.

If the Tax Department denies or reduces a request for a refund, a written request for an administrative hearing may be submitted. Failure to respond to a denial or reduction within sixty days will result in the denial/reduction becoming final and conclusive and not subject to further administrative or judicial review.

### SELLING OR DISCONTINUING YOUR BUSINESS

Notify the Tax Department in writing as soon as possible after your business is sold or discontinued. All final tax returns should be filed.

## GENERAL INFORMATION

### ASSISTANCE

Address questions to the West Virginia State Tax Department, Compliance and Taxpayer Services Division, PO Box 3784, Charleston, WV 25337-3784 or by telephone at (304) 558-3333, toll free within West Virginia and area code 614 at 1-800-982-8297, or TDD for the hearing impaired 1-800-282-9833. To order forms or publications, call (304) 344-2068 or toll free within West Virginia and area code 614 at 1-800-422-2075 or visit our website at [www.wvtax.gov](http://www.wvtax.gov).

The Business Franchise Tax is a tax on the privilege of doing business in West Virginia. Any domestic corporation, any corporation that has its commercial domicile in West Virginia, and every corporation and partnership that owns or leases real or tangible personal property, or is doing business in West Virginia is subject to the Business Franchise Tax.

The term "doing business" means any activity of a corporation which enjoys the benefits and protection of the government and laws of this state. Doing business does not include those engaged in the activity of agriculture or farming.

The term "corporation" includes any corporation, S corporation, joint stock company, and any association or other organization which is taxable as a corporation under federal income tax laws or the income tax laws of this state.

The measure of the tax is the capital of the corporation and is defined as the average of the beginning and ending balances of (1) the value of common and preferred stock, (2) plus paid in capital surplus, (3) plus retained earnings, (4) less treasury stock. These items of capital are taken from the balance sheet of the taxpayer's federal income tax return as filed with the Internal Revenue Service. In general, most multistate businesses will apportion their capital to West Virginia using a four factor formula consisting of payroll, property, and double weighted sales factors. See page 10 for more details regarding the apportionment factor and for special apportionment rules.

The tax rate is 34¢ per \$100 of taxable capital with a minimum tax of \$50.

### CORPORATION NET INCOME TAX

The Corporation Net Income Tax is a tax on the West Virginia taxable income of every domestic or foreign corporation which enjoys the benefits and protections of the government and laws in the State of West Virginia or derives income from property, activity or other sources in West Virginia. The term "corporation" includes a joint stock company and any association or other organization which is taxable as a corporation under federal income tax laws.

This is a federal conformity tax in that the starting point in computing West Virginia taxable income is the federal taxable income of the corporation. Certain increasing and decreasing adjustments, as required by state law, must be made to federal taxable income to arrive at West Virginia taxable income. They are required to allocate certain types of nonbusiness income to West Virginia and apportion their remaining income. The Corporation Net Income Tax rate is eight and one half percent (.085).

### EXEMPT ORGANIZATIONS

Any corporation exempt from federal income tax is also exempt from West Virginia Corporation Net Income Tax and Business Franchise Tax. In addition, certain insurance companies, certain production credit associations, trusts established under 29 U.S.C. 186, and other organizations specifically exempt under the laws of West Virginia are also exempt.

### UNRELATED BUSINESS INCOME

If you are a tax exempt organization with unrelated business income that is subject to federal tax, you must pay the West Virginia Corporation Net Income Tax on that unrelated income attributable to West Virginia. Also, that portion of your capital that is used, directly or indirectly, in the generation of the unrelated business income is subject to the West Virginia Business Franchise Tax.





## PAYMENT OF TAX

**DUE DATE.** A corporation's annual West Virginia Corporation Net Income/Business Franchise Tax Return is due on or before the 15<sup>th</sup> day of the third month after the close of the taxable year. The filing of returns is required whether or not any tax is due. A tax exempt organization's annual West Virginia Corporation Net Income/Business Franchise Tax Return is due on or before the 15<sup>th</sup> day of the fifth month after the close of the taxable year. Make your remittance payable to the West Virginia State Tax Department.

**WHERE TO FILE.** West Virginia Corporation Net Income/Business Franchise Tax Returns should be mailed to the West Virginia State Tax Department, Tax Account Administration Division, PO Box 1202, Charleston, WV 25324-1202.

### EXTENSION OF TIME TO FILE

An extension of time to file a federal return is automatically accepted by West Virginia as an extension of time to file the West Virginia return. A copy of the federal extension form must be attached to the West Virginia return when filed and the extended due date must be entered on top of the return. Returns filed after the due date, without supporting documents and extended due date entered on the top of the return, will be processed as late filed and interest and penalties will be assessed.

A state extension of time to file may be obtained, even if a federal extension has not been requested, provided a written request is made to the West Virginia State Tax Department prior to the due date of the West Virginia return. An extension of time to file does not extend the time for payment of any tax due. If you have an extension of time to file, payment of any tax due may be made by filing a tentative return (see instructions for Form CNF-120T). To avoid interest and penalties, payment must be received on or before the due date of the return.

### ESTIMATED TAXES

If your **Business Franchise Tax** liability is in excess of \$12,000 per year after tax credits, estimated tax payments are required and due in four equal installments on the 15<sup>th</sup> day of the fourth, sixth, ninth, and twelfth months of the tax year.

Estimated **Corporation Net Income Tax** payments are required for any corporation which can reasonably expect its West Virginia taxable income to be in excess of \$10,000 (which equals a tax liability after tax credits in excess of \$850) and are due in four equal installments on the 15<sup>th</sup> day of the fourth, sixth, ninth, and twelfth months of the tax year. Preprinted estimated payment forms (Form CNF-120ES) are automatically mailed to all taxpayers making estimated payments in their previous tax year.

**What are the filing requirements?** Corporations that are members of the same unitary business group must file a combined report including all required information of every business engaging in the unitary business with the corporation. This report must be filed with each members' separate return unless the group elects to designate a corporation as surety and file a combined return.

### FILING METHOD

The filing method used for filing your Corporation Net Income Tax also controls the method for filing your West Virginia Business Franchise Tax (WV Code §11-24-13a(h)).

**SEPARATE ENTITY BASED:** Use this method if you are filing a separate return and you are not engaged in a unitary business with one or more other corporations.

Forms and schedules you may/will need to complete for a separate entity based corporation return:

CNF-120 pages 11 & 12	CNF-120 Sched. A, A-1, & A-2	CNF-120 Sched. B, B-1
CNF-120 Sched. C	CNF-120 Sched. NOL	CNF-120APT Sched. A1, A2
CNF-120TC	CNF-120APT Sched. B	CNF-120W

**SEPARATE COMBINED:** Use this method if you are filing a combined report but a separate return.

Forms and schedules you may/will need to complete a separate combined return are the same as required for Separate Entity Filers except that the Schedule UB-4CR is **required**. Visit [www.wvtax.gov](http://www.wvtax.gov) to obtain this worksheet.

**COMBINED: (Must complete UB-4CR and attach to return).**

**GROUP COMBINED:** Corporations use this method if they are members of the same unitary business group and elect to designate surety. Taxpayer **must designate surety FEIN in space provided**.

Forms and schedules you may/will need to complete a group combined return:

CNF-120 pages 11 & 12	CNF-120 Schd. UB-2	CNF-120 Schd. UB-3
CNF-120 Schd. NOL	CNF-120U	CNF-120TC
CNF-120 Schd. UB-1	CNF-120 Schd. UB-4APT, A1, A2, B-1	CNF-120W
CNF-120 UB-4CR		

## TAXABLE YEAR/METHOD OF ACCOUNTING

You must use the same taxable year and method of accounting as you use for federal tax purposes.

### SUPPORTING FEDERAL INFORMATION

You must attach to your West Virginia return a copy of pages 1 through 5 of your signed federal income tax return as filed with the Internal Revenue Service. If you attach a pro forma federal income tax return, the following consolidated return data is also required; a copy of pages 1 through 5 of the consolidated federal return plus supporting schedules showing the consolidation of the income statement, balance sheet, eliminations and adjustments; a copy of federal Form 851; and a signed statement explaining the differences, if any, between the income statement and balance sheet reported for federal consolidated filing and that reported for West Virginia purposes. Include Schedule M-3 when applicable.

Corporations shall attach the federal documents to the West Virginia Corporation Net Income/Business Franchise Tax Return.

### INTEREST

You must pay the entire tax due on or before the due date of the tax return (determined without regard for an extension of time to file). If you do not pay the entire tax due on or before the due date, you must pay interest on the amount of the underpayment from the due date to the date paid. Interest is always due, without exception, on any underpayment of tax.

Interest is imposed by an adjusted rate established by the Tax Commissioner. The annual rate will never be less than eight percent (.08). The interest rate will be determined and in effect for periods of six months. Interest rates in effect for various periods are:

7/1/90 to 12/31/91 -	10%	1/1/98 to 12/31/98 -	9%
1/1/92 to 6/30/92 -	9%	1/1/99 to 6/30/00 -	8%
7/1/92 to 12/31/95 -	8%	7/1/00 to 12/31/00 -	9%
1/1/96 to 12/31/96 -	9%	1/1/02 to 6/30/02 -	8%
1/1/97 to 12/31/97 -	8%	7/1/02 to 12/31/11 -	9.5%



Contact the West Virginia State Tax Department, Compliance and Taxpayer Services Division, for the interest rate in effect for other periods. The telephone number is (304) 344-2068 or toll free within West Virginia 1-800-422-2075. Request message number 510.

## ADDITIONS TO TAX

**LATE FILING.** Additions to tax are imposed for failure to file a return on or before the due date (determined **with** regard to an extension of time to file). On any amount of tax shown to be due on the return, the additions to tax for late filing is five percent (.05) per month or any part of a month not to exceed twenty-five percent (.25).

**LATE PAYMENT.** Additions to tax are imposed for failure to pay all tax shown to be due on a return on or before the due date (determined **without** regard to an extension of time to file). The additions to tax for late payment is imposed at the rate of one half of one percent (.005) per month or part of a month not to exceed twenty-five percent (.25).

When both the five percent (.05) additions to tax for late filing and the one half of one percent (.005) additions to tax for late payment are imposed, the maximum monthly percent is five percent (.05) not to exceed forty-seven and one-half of one percent (.475) of the tax due.

**FAILURE TO PAY ESTIMATED TAX.** Corporations that are required to make estimated payments of their tax liability are subject to additions to tax for failing to pay at least ninety percent (.9) of their annual tax liability. The additions are imposed at the same rate as interest is imposed. See Form CNF-120U for more information on the additions to tax for underpayment of estimated tax.

## COMPLETION AND SIGNATURE

All applicable sections of the return must be completed and all required supporting documents must be attached. An incomplete return will not be accepted as timely filed. The return must be signed by an authorized officer. If the return is prepared by someone other than the taxpayer, the preparer must also sign the return and enter his or her complete address.

## CHANGES ON FEDERAL RETURN

Any corporation whose reported income or deductions are changed or corrected by the Internal Revenue Service or through renegotiation of a contract with the United States is required to report the change or correction to the West Virginia State Tax Department. This report must be made within ninety days of the final determination by filing an amended return and attaching a copy of the revenue agent's report detailing such adjustments.

A corporation that filed an amended return with the Internal Revenue Service must file an amended return with the West Virginia State Tax Department within ninety days of filing the amended federal return.

## AMENDED RETURNS

Corporations may amend their Business Franchise Tax and/or Corporation Net Income Tax Return by filing Form CNF-120 (check "Amended") and attaching a schedule detailing the differences in the amended and original returns. Amended returns filed for the purpose of obtaining a refund of an overpayment of tax must be filed within three years of the due date of the return (with regard to an extension of time to file) or two years from the date the tax was paid, whichever expires later.

## CONSISTENCY IN REPORTING

In completing your West Virginia Corporation Net Income/ Business Franchise Tax Return, if you depart from or modify

past procedures for classifying business income and nonbusiness income, for valuing property or including or excluding property in the property factor, for treating compensation paid in the payroll factor, for including or excluding gross receipts in the sales factor, you must disclose by separate attached schedule detailing the nature and extent of the variances or modifications.

If you make sales of tangible personal property which are shipped into a state in which you are not taxable, you must identify the state to which the property is shipped and report the total amount of sales assigned to such state.

## CONFIDENTIAL INFORMATION

Tax information which is disclosed to the West Virginia State Tax Department, whether through returns or through department investigation, is held in strict confidence by law. The State Tax Department, the United States Internal Revenue Service and other states have agreements under which tax information is exchanged. This is to verify the accuracy and consistency of information reported on federal, other state, and West Virginia tax returns.

## Form CNF-120 INSTRUCTIONS

Enter beginning and ending tax year dates covered by this return. Clearly print or type your name and address. If filing under extension, enter the extended due date. Check the applicable box for the return being filed.

**ATTACHMENTS AND STATEMENTS REQUIRED:** Attach the additional information and statements required as part of your Form CNF-120 if they apply to your filing method.

**Attach a copy of pages 1 through 5 of your signed federal return** (Form 1120), and Schedule M-3 if applicable. If filing separate West Virginia and consolidated federal, attach your pro forma federal, consolidated federal Form 851 (Affiliation Schedule), plus spreadsheets of the income and expenses, and balance sheet entries for EVERY corporation included in the consolidated federal return.

Attach a schedule of other states in which you have property or paid salaries during the taxable year. Indicate those states in which you are filing corporate tax returns based on, or measured by, net income for this taxable year.

Attach a schedule of other states in which you have sales of tangible personal property during the taxable year and in which you are not taxed (e.g. P.L.86-272). Indicate by state the amount of sales not subject to tax.

**1** Enter West Virginia taxable capital from completed Schedule A, Form CNF-120, Line 12. Combined filers will enter the amount from line 22 of Schedule UB-2.

**3** Multiply line 1 by the tax rate on line 2 and enter the result **or \$50.00, whichever is greater.**

If your federal taxable year is a short taxable year, the year is prorated based on the number of months that are in the short taxable year divided by the number 12.

If your first taxable year for Business Franchise Tax purposes includes a period of time during which you were not subject to the West Virginia Business Franchise Tax, the tax is prorated based on the number of months during the taxable year that you did business in West Virginia divided by the number 12.

**Neither the minimum tax of \$50.00 nor the capital base can be prorated.**

**4** Enter the result from Column 1, line 27 from completed Form CNF-120TC. The total amount of the credit cannot exceed the tax on line 3.



**Line 5** Subtract line 4 from line 3 and enter the result.

**If filing a combined return, skip lines 6 through 16 and complete Schedule UB.**

**Line 6** Enter total taxable income from your federal income tax return Form 1120, line 30, or your pro forma return. A "pro forma" return is the return that you would have filed if you had filed your federal return on a separate return basis.

**Line 7** Enter total increasing adjustments from line 12 of Schedule B, Form CNF-120.

**Line 8** Enter total decreasing adjustments from line 23 of Schedule B, Form CNF-120.

**Line 9** Adjusted federal taxable income (line 6 plus line 7 minus line 8).

**If this corporation is a wholly West Virginia corporation please check the box and skip to line 15. Enter the amount of line 9 in line 15.**

**Line 10** Total nonbusiness income allocated everywhere (Form CNF-120APT, Schedule A-1, line 8, column 3).

**Line 11** Subtract line 10 from line 9. This is your total income subject to apportionment.

**Line 12** Complete Schedule B of Form CNF-120APT and enter the result of part 1, line 8; part 2 or part 3, column 3.

**\*\*IMPORTANT NOTE REGARDING LINE 12\*\*** Form CNF-120APT, Schedule B **MUST** be completed and attached. **FAILURE TO ATTACH COMPLETED FORM WILL RESULT IN 100% APPORTIONMENT TO WEST VIRGINIA.**

**Line 14** Enter the result of line 12 of Schedule A2 of Form CNF-120APT.

**Line 15** Multistate corporations should add lines 13 and 14 and wholly West Virginia corporations should enter the amount from line 9.

**Line 16** Enter the total from column 6 of Schedule NOL on page 16.

**Line 17** Subtract line 16 from line 15. This is your West Virginia Taxable income. Combined filers should enter the amount from line 18 of Schedule UB 3.

**Line 18** Multiply line 17 by the Corporate Net Income Tax Rate in line 18. If the result is a negative amount, enter zero (0).

**Line 20** Enter the result from column 2, line 27 of completed Form CNF-120TC. The total amount of credits cannot exceed the net income tax on line 19.

**Line 21** Subtract line 20 from line 19 and enter the result on line 21. This is your Adjusted Corporate Net Income Tax.

**Line 22** Add lines 5 and 21. This is your total Business Franchise Tax and Corporation Net Income Tax liability.

**Line 23** Enter total of prior year carry forward credit from your previous Business Franchise Tax/Corporation Net Income Tax return and total estimated tax payments and tentative payment(s) made with Form CNF-120T.

**Line 24** Enter the total amount of withholding from Form NRW-2, Form K-1, and/or Form 1099. Amount must match the total from Form CNF-120W).

**Line 25** **If this is an amended return**, enter the amount paid with the original return.

**Line 26** Add lines 23 through 25. This total **MUST** match the total on Schedule C.

**Line 27** If this an amended return, enter the amount of an overpayment previously refunded or credited.

**Line 28** Subtract line 27 from line 26. This is your company's total payments.

**Line 29** If line 28 is larger than line 22 enter your overpayment here.

**Line 30** Enter the amount of the overpayment in line 29 that you wish to have credited to 2012 taxes.

**Line 31** Enter the amount of the overpayment in line 29 that you wish to have refunded (subtract line 30 from line 29).

**Line 32** If line 28 is smaller than line 22, enter the tax due on this line.

**Line 33** Determine the amount of interest due. For information regarding interest, see the general information on page 4 of this booklet.

**Line 34** Determine additions to tax due. For information regarding additions to tax, see the general information on page 5 of this booklet.

**Line 35** Enter the amount of penalty of estimated tax from Form CNF-120U.

**Line 36** Add lines 32 through 35. This is the balance due with this return. Make check payable to West Virginia State Tax Department.

## SCHEDULE A COMPUTATION OF CAPITAL

Corporations must complete this section to determine their capital base subject to the West Virginia Business Franchise Tax. The capital base is the average of the dollar amount of the beginning and ending balance of certain entries from the balance sheet of your Federal Tax Return as filed or as would have been filed with the Internal Revenue Service for the taxable year.

Corporations not required by Federal law to complete and file a balance sheet are required to complete a pro forma balance sheet in order to calculate their Business Franchise Tax liability. A pro forma balance sheet is the balance sheet that the corporation would have filed with the Internal Revenue Service had they been required to file one. Corporations complete lines 1 through 7. Add the amounts in column 1 and column 2 and divide the result by the number two (2) to determine the average capital for column 3.

### EXEMPT ORGANIZATIONS

Corporations and organizations that are exempt from federal tax must pay the Business Franchise Tax on that portion of their capital which is used, directly or indirectly, in the generation of unrelated business income, as defined by Section 512 of the Internal Revenue Code. To determine the amount of your capital that is subject to tax, multiply your capital by the percentage that your total gross unrelated business income is to your total gross income from all activity.

### COMPUTATION OF BUSINESS FRANCHISE TAX

**Line 8** Taxpayers that own certain tax exempt government obligations and obligations secured by certain residential property located in West Virginia can take an allowance that reduces their capital. See the instructions for Schedule B-1, Form CNF-120 to determine if you qualify to take the special allowance. If you do not qualify for the special allowance skip lines 8 and 9 of Schedule A, Form CNF-120. Instead, enter the amount from line 7 on line 10.

**Line 11** Generally, the apportionment factor used to apportion your income for Corporation Net Income Tax purposes is used to apportion your capital base





for Business Franchise Tax purposes. There are two exceptions:

1. The special apportionment rules for certain motor carriers cannot be used for the Business Franchise Tax. Motor Carriers will need to complete Schedule B, Part 1 of Form CNF-120APT to determine their apportionment factor for Business Franchise tax purposes.
2. Taxpayers, exempt from, or not subject to, the West Virginia Corporation Net Income Tax must complete Schedule B, Form CNF-120APT to determine their apportionment factor for Business Franchise Tax.

**\*\*IMPORTANT NOTE REGARDING LINE 11\*\*** Form CNF-120APT, Schedule B must be completed and attached. **FAILURE TO ATTACH COMPLETED FORM WILL RESULT IN 100% APPORTIONMENT TO WEST VIRGINIA.**

**Line 12** Multiply line 10 by line 11. Enter the result here and on line 1 of Form CNF-120.

## SCHEDULE A-1 SUBSIDIARY CREDIT

A parent taxpayer that filed a separate Business Franchise Tax Return is allowed a credit against its Business Franchise Tax liability for the Business Franchise Tax paid by a subsidiary corporation or by a partnership in which it owns an interest. A corporation that owns fifty percent (.5) or more of the stock of all classes of another corporation is defined to be the parent and the corporation so owned is defined to be a subsidiary corporation. The tax liability of the subsidiary corporation or partnership is first recomputed by determining the tax base of the subsidiary or partnership without the allowance for certain government obligations and obligations secured by certain residential property. The amount of credit is determined by multiplying the recomputed tax liability by the percentage of ownership by the parent. Enter the total from column 4, Schedule A-1 on Summary Schedule CNF-120TC line 1, column 1.

## SCHEDULE A-2 TAX CREDIT FOR PUBLIC UTILITIES & ELECTRIC POWER GENERATORS

**\*\*IMPORTANT\*\* PLEASE READ!** Only public service or utility businesses and taxpayers who generate electric power are eligible for this credit. This credit cannot be taken for taxes paid to municipalities in West Virginia. You must have actually paid Business and Occupation Tax to the West Virginia State Tax Department and be one of the taxpayers mentioned above to be eligible to claim this credit.

**Line 4** Enter the Business Franchise Tax liability from line 5 of Form CNF-120.

**Line 6** Enter the total on summary Schedule CNF-120TC, line 2, column 1.

## SCHEDULE B ADJUSTMENTS TO FEDERAL TAXABLE INCOME

### ADJUSTMENTS INCREASING FEDERAL TAXABLE INCOME

**Line 1** Enter exempt interest or dividends from any state or local bonds or securities from your federal return

Form 1120, Schedule K or on Schedule M-1.

**Line 2** Enter the amount of US Government obligation interest or dividends not exempt from state tax, less any related expenses not deducted on the federal return. **Attach supporting documentation.**

**Line 3** Attach an itemized schedule of taxes and licenses from line 17 of your federal income tax return, Form 1120 or pro forma Form 1120.

**Line 4** Taxpayers can elect to expense the cost of certain air and water pollution control facilities located in West Virginia in the year in which the cost of acquisition, construction or development was paid or incurred. Eligible air and water pollution control facilities are those located in West Virginia that are "certified pollution control facilities" as defined by Section 169(d) of the Internal Revenue Code. If this election is made, the total amount of any federal deduction for depreciation or amortization of such facilities is disallowed. The election is made on the return for the year in which the cost is paid or incurred. Once made, the election or non-election is irrevocable.

A taxpayer who reports all income to this state will make the adjustments for the cost of the facilities on Schedule B, line 19. The depreciation or amortization on the facilities, including that attributable to cost expensed this year as well as prior years, deducted on the federal return, is entered on Schedule B, line 4. A taxpayer who is subject to allocation and apportionment makes the adjustment for the cost of the facilities on Schedule A-2 of Form CNF-120APT line 9, column 3. The depreciation or amortization on the facilities deducted on the federal return for this year as well as previous years, is entered on Schedule A-2 of Form CNF-120APT, lines 10 and 11 of column 3.

**Line 5** Corporations which are exempt from federal income tax are also exempt from West Virginia Corporation Net Income Tax. If such a corporation has unrelated business taxable income (as defined by Section 512 of the Internal Revenue Code), they must pay West Virginia Corporation Net Income Tax on the unrelated business taxable income. Enter the unrelated business taxable income as reported on Federal Form 990T.

**Line 6** Enter the amount from Federal Form 1120, line 29a.

**Line 7** If you claim the West Virginia Neighborhood Investment Program Tax Credit, any deduction, decreasing adjustment, or decreasing modification taken on your federal return for any charitable contribution made to such Neighborhood Investment Program and for which the West Virginia credit is claimed, must be added back on this line.

**Line 8** Taxpayers with source income must adjust their federal taxable income by the amount of their taxable income or loss from sources outside the United States. In determining foreign source income, the provisions of Sections 861, 862, and 863 of the Internal Revenue Code apply. Complete the following worksheet.

#### Foreign Source Income Worksheet

1. Taxable income from sources outside the United States.....
2. LESS foreign dividend gross-up
3. LESS subpart F income.....
4. West Virginia adjustment.....

If the amount on line 4 of the worksheet is a positive figure, enter it on Schedule B, line 18. If it is a negative figure, enter the amount of the loss on Schedule B, line 8 without the negative sign.



Attach copies of Federal Form 1118 to support your calculation. If you did not file Federal Form 1118, you must prepare and file a pro forma Federal Form 1118 to support your adjustment. If you filed a consolidated Federal Form 1118 and file separate or unitary West Virginia returns, attach both the true consolidated and a pro forma Federal Form 1118 to support your adjustment.

**Line 9** Enter the amount of foreign taxes as deducted on your Federal Form 1120.

**Line 10** Enter Qualified Production Activity Deduction taken under IRC §199.

**Line 11** Add back for expenses related to certain REIT's and regulated investment companies and certain interest and intangible expenses (WV Code §11-24-4b).

**Line 12** Add lines 1 through 11. Enter the total on line 7 of Form CNF-120.

## ADJUSTMENTS DECREASING FEDERAL TAXABLE

### INCOME

**Line 13** Enter the amount or credit of income taxes or taxes based upon net income imposed by this state or any other jurisdiction included in federal taxable income. **Attach supporting documentation.**

**Line 14** Enter the amount of interest expense on obligations or securities of any state or its political subdivisions disallowed in determining federal taxable income. **Attach supporting documentation.**

**Line 15** Enter total and include a copy of Federal Form 3800 or 5884 and/or other as applicable.

**Line 16** Enter the total from Schedule C, line 15 of Federal Form 1120.

**Line 17** Enter the total from Schedule C, line 14 of Federal Form 1120.

**Line 18** See instructions for Schedule B, line 8.

**Line 19** See instructions for Schedule B, line 4.

**Line 20** A decreasing adjustment to federal taxable income is allowed for employer contributions to a medical savings account established pursuant to WV Code §33-16-15, to the extent included in federal taxable income, less any portion of the employer's contributions withdrawn for purposes other than payment of medical expenses. The amount taken as a decreasing adjustment may not exceed the maximum amount that would have been deducted from the corporation's federal taxable income if the aggregate amount of the corporation's contributions to individual medical savings accounts established under WV Code §33-16-15 had been contributions to a qualified plan as defined under the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

**Line 22** Taxpayers that own certain tax-exempt government obligations and obligations secured by certain residential property located in West Virginia can take a special allowance that further reduces federal taxable income. Complete Schedule B-1 to determine the amount of the allowance.

**Line 23** Add lines 21 and 22. Enter the amount on this line and on line 8 of Form CNF-120.

## SCHEDULE B-1

### ALLOWANCE FOR GOVERNMENTAL OBLIGATIONS/ OBLIGATIONS SECURED BY RESIDENTIAL PROPERTY (§11-24-61D)

Taxpayers that own certain tax exempt government obligations and obligations secured by certain residential property

located in West Virginia can take a special allowance that further reduces federal taxable income. Complete CNF-120 Schedule B-1 to determine the amount of the allowance. The value of these obligations and loans is determined using the average of the monthly beginning and ending account balances. These account balances are determined at cost in the same manner that such obligations, investments and loans are reported on the balance sheet of your federal tax return.

**Lines 1 - 4.** Attach copy of worksheets supporting the calculation of average monthly balance.

**Line 6.** Average the beginning and ending balance of line 15, Schedule L of Federal Form 1120.

**Line 8.** CNF-120, line 6 plus Schedule B, line 12 minus line 21, plus Form CNF-120APT, Schedule A-2, lines 9, 10, and 11.

## SCHEDULE C

### SCHEDULE OF TAX PAYMENTS

(USE IN APPLICABLE TO BUSINESS FRANCHISE TAX FIRST)

Use this schedule to list any Corporation Net Income/Business Franchise Tax payments made which the taxpayer is applying to this return. List the following for each payment: name of corporation making payment; West Virginia Account Identification Number; date of payment; type of payment (estimated payment, including application of overpayment from prior year, and extension payments made with a tentative return); and amount of payments. The total amount of payments must equal the amount reported on line 26 of Form CNF-120.

## SCHEDULE NOL

### Corporation Net Income Tax WV Net Operating Loss Carryforward Calculation (§11-24-61D)

**Who should complete Schedule NOL?** All corporations claiming a net operating loss carry forward deduction on line 16 of Form CNF-120 must complete this schedule to support their net operating loss deduction. Schedule NOL is not a claim for refund. It is a calculation schedule to support the net operating loss carryforward deduction.

**For taxable years ending after June 30, 1988** West Virginia Corporation Net Income Tax law was revised to provide for a West Virginia net operating loss deduction to be used to reduce West Virginia taxable income of a corporation. The revision is effective for all taxable years ending after June 30, 1988, and applied to all loss carried over from the taxable year ending on or before June 30, 1988.

Any amount claimed as a federal net operating loss deduction must be added back to federal taxable income on West Virginia Schedule B, line 6 of Form CNF-120. The West Virginia net operating loss carryforward deduction is entered on line 16 of Form CNF-120.

**Taxpayers now have a West Virginia election as to the carryback or carryforward of the West Virginia net operating loss deduction.** For losses incurred in taxable years beginning after August 5, 1997, the carryback period is two years and the carryforward period is 20 years. If the election is made to not carryback any part of the loss, the carryforward period is 20 years. For losses incurred in taxable years beginning on or before August 5, 1997, the carryback period is 3 years and the carryforward period is 15 years.

A net operating loss deduction of a multistate corporation is



subject to West Virginia allocation and apportionment rules.

The West Virginia net operating loss deduction is limited to net operating losses incurred by a corporation which did business in West Virginia and filed Corporation Net Income Tax Returns in prior taxable years.

The amount of net operating loss deduction available to an affiliated group, which elects for the first time to file a consolidated return for a taxable year ending after July 1, 1988, is limited to the net operating losses incurred by members of the affiliated group which did business in West Virginia and filed separate West Virginia returns in prior years.

A West Virginia net operating loss deduction will not be allowed for net operating losses of those members of the affiliated group which did no business in West Virginia in prior taxable years and were not required to file West Virginia Corporation Net Income Tax Returns.

**SRLY RULES.** The separate return limitation years (SRLY) rules set forth in Treasury Regulation §1.1502 apply in determining the allowable West Virginia net operating loss deduction.

When the SRLY rules apply, a member of an affiliated group's net operating loss carried forward from its separate return year can only offset that portion of the taxable income attributable to that member of the group.

**Schedule NOL** is designed to support the claiming of a West Virginia net operating loss carryforward deduction by providing information on the year of the loss and how the loss was/is being used. Enter on Schedule NOL only those loss years that give rise to the current taxable year's net operating loss carryforward deduction.

**Column 1. Year of loss.** Enter in column 1 the applicable tax year ending date(s) for the year(s) that you had net operating loss(es).

**Column 2.** Enter name and FEIN of the Consolidated Parent Corporation if you filed a consolidated return prior to 2009 and had a West Virginia Net Operating Loss or enter name and FEIN of all separate members' West Virginia net operating losses that filed separately prior to 2009.

**Column 3. Amount of West Virginia net operating loss.** Enter the amount of West Virginia net operating loss that corresponds to the year of the loss shown in Column 1.

**Column 4. Amount carried back to years prior to loss year.** Enter the total amount of loss for the taxable year entered in column 1 that was carried back to a year, or years prior to the year of the actual loss.

**Column 5. Amount carried forward to years prior to this year.** Enter the total amount of loss for the taxable year entered in column 1 that was carried forward to a year, or years, prior to the current taxable year.

**Column 6. Amount being used this year.** Enter the amount of loss for the taxable year entered in column 1 that is being used to offset West Virginia taxable income for the current taxable year.

**Column 7. Remaining unused net operating loss.** Enter the amount of loss for the tax year entered in column 1 that remains to be carried to a taxable year subsequent to the current taxable year.

**Total Net Operating Loss Carryforward Deduction for Current Taxable Year.** The amount of the West Virginia net operating loss carryforward deduction claimed on line 16 of Form CNF-120 of the current year's tax return must equal the sum of column 6, Schedule NOL. In no instance may the West Virginia net operating loss carryforward deduction reduce West Virginia taxable income below zero.

**Net operating loss carryback.** Generally, a taxpayer having a net operating loss must first carry back that loss to the two

preceding tax years before carrying the loss forward. A refund initiated by a net operating loss carry back must be claimed within three years from the original due date of the return for the loss year (with regard to an extension) by the filing of Form CNF-139.

**Special legislative changes made during 1993 have limited the amount of net operating loss that can be carried back when the loss is incurred in a taxable year beginning after December 31, 1992. No more than \$300,000 of net operating loss from any taxable year beginning after December 31, 1992 may be carried back to any previous taxable year. No change was made in the loss carry forward rules or the amount of loss that can be carried back from a taxable year beginning before December 31, 1992.**

## CNF-120APT

### ALLOCATION AND APPORTIONMENT FOR MULTISTATE CORPORATIONS

#### SCHEDULE A1 & A2 – ALLOCATION OF NONBUSINESS INCOME

If your business activities take place both within and without West Virginia and you are also taxable in another state, certain items of nonbusiness income that are included in federal taxable income are directly allocated. All other income must be apportioned.

Business income arises from transactions and activities in the regular course of the corporation's trade or business, and include income from tangible and intangible property if the acquisition, management or disposition of the property constitutes integral parts of the corporation's trade or business.

Nonbusiness income includes all income that is not properly classified as business income less all expenses attributable to the production of this income. Nonbusiness income is allocated to West Virginia if (1) the corporation's commercial domicile, the principal place from which the trade or business is managed is located in West Virginia; or (2) property creating the nonbusiness income is utilized in West Virginia. Nonbusiness income from real property is allocated to West Virginia if the corporation's commercial domicile is located in West Virginia, or, in the case of patents or copyrights, if they are used in West Virginia.

For a detailed discussion of allocation of nonbusiness income, you may request a copy of Publication TSD-392, "Corporation Net Income Tax Nonbusiness Income", by contacting our Taxpayer Services Division.

Determine nonbusiness income allocated to West Virginia and outside West Virginia by completing Schedule A1 and A2 of Form CNF-120APT. Only those types of nonbusiness income listed on Schedule A1 and A2 of Form CNF-120APT can be allocated. Any other types of income that the corporation classifies as nonbusiness must be apportioned.

**Line 8** Enter the amount from column 3, line 8 of Schedule A-1 on line 10 of Form CNF-120.

**Line 12** Enter the amount from column 3, line 12 of Schedule A-2 on line 14 of Form CNF-120.

#### SCHEDULE B – APPORTIONMENT FORMULA

If your business activities take place both within and without West Virginia and you are also taxable in another state, all net income, after deducting those items of nonbusiness



income allocated on Schedule A1 and A2 of Form CNF-120APT must be apportioned to West Virginia by using the appropriate apportionment formula. **Completion of Schedule B is required even if apportionment is zero.**

**Special apportionment formulas apply to motor carriers and to financial organizations.** If you are filing for a financial organization, follow the apportionment instructions for Schedule B of Form CNF-120APT, Part 3. If you are filing for a motor carrier, follow the apportionment instructions for Schedule B of Form CNF-120APT, Part 2.

All other multistate corporations will use the standard apportionment formula of payroll, property, and sales, with the sales factor double weighted, and will complete Schedule B of Form CNF-120APT Parts 1 through 3 as applicable.

**Petitioning for an alternate method of apportionment.** To use an alternate method of allocation and apportionment, you must petition the Tax Commissioner to use some other basis to determine your taxable net income. Your petition for an alternate method must be filed no later than the normal due date of your return.

You must have written permission to use an alternate apportionment method before filing your return. Permission will only be granted if you can show that the statutory formula does not properly reflect your taxable income, and if the alternate method properly and fairly shows your West Virginia taxable income.

Your petition should include your name and address, state of incorporation and principle place of business, a description of the kind(s) of business in which you are engaged, a detailed statement of how sales are made in West Virginia, a computation of your West Virginia taxable income using the statutory apportionment formula and using your proposed alternate formula, and a summary of the facts that support your position.

Send your petition to West Virginia State Tax Department, Tax Account Administration Division, Corporate & Franchise Tax Unit, PO Box 1202, Charleston, WV 25324-1202.

## MULTISTATE CORPORATIONS – FOUR FACTOR FORMULA

To determine your West Virginia apportionment percentage, first determine the following factors:

**Property Factor.** Property includes all real and tangible personal property owned or rented and used during the taxable year to produce business income. Property used in connection with the items of nonbusiness income allocated in Schedule A1 and A2 shall be excluded from the factor.

Property must be included in the property factor if it is actually used or is available for or capable of being used during the taxable year. Property held as reserves, standby facilities or reserve sources of materials must be included. Property or equipment under construction (except goods in process that can be inventoried) must be excluded until it is actually used to generate business income. Movable property, such as tools, construction equipment and trucks, used both within and without West Virginia, shall be included in the numerator of the fraction on the basis of total time within the state during the taxable year.

Property owned is valued at original cost. Property rented is valued at eight times the net annual rental rate. Leasehold improvements are considered property owned and are included at their original cost. Generally, original cost is the basis of the property for federal income tax purposes at the time of acquisition and adjusted by subsequent capital additions of improvements and partial dispositions by reason of sale, exchange, abandonment, etc. As a general rule, property is included in the factor by averaging its value at the beginning and ending of the taxable period.

The Tax Commissioner may require or allow averaging by monthly values if such a method is required to properly reflect the average value of the taxpayer's property for the taxable year.

**1** Divide column 1 by column 2 and enter result in column 3. State the result as a decimal and round to six (6) places after the decimal.

**Payroll Factor.** The payroll factor shall include the amount of compensation paid to employees during the taxable year. The total amount paid is determined upon the basis of the taxpayer's accounting method for federal income tax purposes. If you have adopted the accrual method of accounting for federal purposes, all compensation shall be deemed to have been paid. Compensation may be included in the payroll factor by use of the cash basis only if you have permission from the Tax Commissioner for an alternate method of apportionment. Compensation means wages, salaries, commissions, and other forms of remuneration paid to employees for personal services. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. **Only amounts paid directly to employees are included in the payroll factor.** Do not include compensation paid to employees engaged exclusively in an activity that generates nonbusiness income that you allocated in Schedule A1 and A2 of Form CNF-120APT.

**The denominator** of the payroll factor is the total compensation paid by the taxpayer during the taxable year, as shown on the federal income tax return filed with the Internal Revenue Service and as reflected in the schedule of wages and salaries and that portion of the cost of goods sold which reflect compensation.

**The numerator** of the payroll factor is the total amount paid in this state during the taxable year by the taxpayer for compensation. Compensation is paid in this state if any of the following tests, applied consecutively, are met:

- A. The employee's service is performed entirely within this state;
- B. The employee's service is performed both within and without this state, but the service performed without this state is "incidental" to the employee's service within this state (the word incidental means any service which is temporary or transitory in nature or which is rendered in connection with an isolated transaction);
- C. If the employee's services are performed both within and without this state, the employee's compensation will be attributed to this state:
  - a. if the employee's base of operations is in this state;
  - b. if there is no base of operations in any state in which part of the service is performed, but the place from which the service is directed or controlled is in this state; or
  - c. if the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the employee's residence is in this state. Base of operation is the place from which the employee starts their work and to which they customarily return in order to receive instructions or communications from customers or others, or to replenish stock or other materials, repair equipment, or perform any other functions necessary to the exercise of their trade or profession at some other point or points.

Determine the payroll factor by entering the appropriate amounts on line 2. Enter West Virginia payroll in column 1 and payroll everywhere in column 2.

**2** Divide column 1 by column 2 and enter the result in column 3. Round to six (6) places after the decimal.

Continued on page 39...



**CNF-120**

B

West Virginia

REV 8-11

Corporation Net Income/Business Franchise Tax Return

**2011**

FEIN <input style="width:150px;" type="text"/>		EXTENDED DUE DATE <input style="width:150px;" type="text"/>		<input type="checkbox"/> 52/53 WEEK FILER Day of week started	
<b>TAX YEAR</b>					
BEGINNING		ENDING			
MM DD YYYY		MM DD YYYY			
BUSINESS NAME AND ADDRESS			PRINCIPAL PLACE OF BUSINESS IN WEST VIRGINIA		
			TYPE OF ACTIVITY IN WEST VIRGINIA		
<b>CHECK APPLICABLE BOXES</b>					
TYPE OF ENTITY:		TYPE OF RETURN:		FILING METHOD	
<input type="checkbox"/> CORPORATION		<input type="checkbox"/> INITIAL <input type="checkbox"/> RAR		<input type="checkbox"/> SEPARATE ENTITY BASED*	
<input type="checkbox"/> NONPROFIT		<input type="checkbox"/> FINAL <input type="checkbox"/> AMENDED		<input type="checkbox"/> COMBINED (Must complete Schedule UB-4CR)	
* If separate, were you part of a federal consolidated return?				<input type="checkbox"/> Separate Combined <input type="checkbox"/> Group combined (designate surety FEIN) _____	
<input type="checkbox"/> YES <input type="checkbox"/> NO				<input type="checkbox"/> OTHER (explain) _____	
If YES, enter parent's FEIN and name				SIGNED FEDERAL FORM ATTACHED (FIRST 5 PAGES)	
				<input type="checkbox"/> 1120 <input type="checkbox"/> PROFORMA 1120 <input type="checkbox"/> 990 <input type="checkbox"/> 990T	
		STATE OF COMMERCIAL DOMICILE:		<input type="checkbox"/> CHECK HERE IF YOU USE A SOFTWARE PROGRAM AND DO NOT WANT A PAPER FORM/BOOKLET MAILED TO YOU.	
PERSON AND PHONE NUMBER TO CONTACT CONCERNING THIS RETURN		NAME:		NUMBER:	
<b>SEPARATE ENTITY FILERS COMPLETE CNF-120APT (PAGE 17) BEFORE COMPLETING THIS RETURN (See instructions page 9)</b> <b>COMBINED FILERS COMPLETE UB-4APT (PAGES 33-34) BEFORE COMPLETING THIS RETURN (See instructions page 44)</b>					
<b>BUSINESS FRANCHISE TAX (COMPLETE SCHEDULE A or UB 2 BEFORE COMPLETING THIS SECTION)</b>					
1. West Virginia taxable capital (line 12 of Schedule A or line 22 of Schedule UB 2).....		1		.00	
2. Business Franchise Tax Rate.....		2		0.0034	
3. Business Franchise Tax (line 1 multiplied by line 2 or \$50.00 whichever is greater)....		3		.00	
4. Business Franchise Tax Credits (Column 1, line 27, Form CNF-120TC).....		4		.00	
5. Adjusted Business Franchise Tax (Subtract line 4 from line 3).....		5		.00	
<b>CORPORATION NET INCOME TAX</b> (IF FILING A COMBINED RETURN SKIP LINES 6 THROUGH 16 AND COMPLETE SCHEDULE UB)					
6. Federal Taxable Income (per attached federal return).....		6		.00	
7. Total Increasing Adjustments (Schedule B line 12).....		7		.00	
8. Total Decreasing Adjustments (Schedule B line 23)....		8		.00	
9. Adjusted federal taxable income (Line 6 plus line 7 minus line 8).....		9		.00	
Wholly West Virginia corporations check here <input type="checkbox"/> and go to line 15					
10. Total nonbusiness income allocated everywhere (Form CNF-120APT, Schedule A-1, line 8, Column 3).....		10		.00	
11. Total income subject to apportionment (subtract line 10 from line 9).....		11		.00	



B 3 0 2 0 1 1 0 1 A



NAME	FEIN
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11. Total income subject to apportionment (from page 11).....	11	.00
12. WV Apportionment Factor (Form CNF-120APT, Sch. B Part 1, line 8; Part 2 or Part 3 Column 3) <b>COMPLETED FORM MUST BE ATTACHED</b> .....	12	•
13. West Virginia apportioned income (line 11 multiplied by line 12).....	13	.00
14. Nonbusiness income allocated to West Virginia (Form CNF-120APT Sch. A2, Line 12)...	14	.00
15. West Virginia taxable income – Multistate corporations add lines 13 and 14; wholly West Virginia corporations enter amount from line 9.....	15	.00
16. Net operating loss carryforward (Schedule NOL, column 6 total).....	16	.00
17. WV Net Taxable Income (Subtract line 16 from line 15) (Combined filers should enter amount from line 18 of Schedule UB 3).....	17	.00
18. Corporate Net Income Tax Rate.....	18	0.085
19. Corporate Net Income Tax (line 17 multiplied by line 18).....	19	.00
20. Corporate Net Income Tax Credits (Column 2, line 27, Form CNF-120TC).....	20	.00
21. Adjusted Corporate Net Income Tax (subtract line 20 from line 19).....	21	.00

### COMBINED BUSINESS FRANCHISE TAX AND CORPORATE NET INCOME TAX

22. COMBINED FRANCHISE/INCOME TAX (Add lines 5 and 21; Do NOT subtract from line 5).....	22	.00
23. Prior year carryforward credit, estimated and tentative payments..	23	.00
24. Withholding from NRW-2, K-1, 1099 (Must match total on CNF-120W)	24	.00
25. Amount paid with original return (Amended Return Only).....	25	.00
26. Payments (add lines 23 through 25; must match total on Schedule C).....	26	.00
27. Overpayment previously refunded or credited (Amended return only).....	27	.00
28. TOTAL PAYMENTS (subtract line 27 from line 26).....	28	.00
29. If line 28 is <b>larger</b> than line 22 enter <b>overpayment</b> .....	29	.00
30. Amount of line 29 to be <b>credited</b> to next year's tax.....	30	.00
31. Amount of line 29 to be <b>refunded</b> (Subtract line 30 from line 29).....	31	.00
32. If line 28 is <b>smaller</b> than line 22, enter <b>tax due</b> here.....	32	.00
33. Interest for late payment (see instructions on page 4).....	33	.00
34. Additions to tax for late filing and/or late payment (see instructions on page 5).....	34	.00
35. Penalty for underpayment of estimated tax (line 10, Form CNF-120U; Attach schedule)	35	.00
36. <b>TOTAL DUE</b> with this return (add lines 32 through 35).....	36	.00

Direct

Deposit  
of Refund☐ CHECKING☐ SAVINGS

ROUTING NUMBER

ACCOUNT NUMBER

Under penalties of perjury, I declare that I have examined this return, accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. I authorize the State Tax Department to discuss my return with my preparer. ☐ YES ☐ NO

Signature of Officer

Print name of Officer

Title

Date

Business Telephone Number

Paid preparer's signature

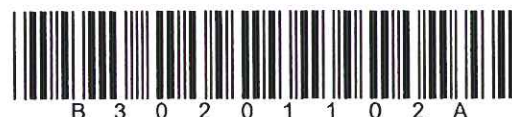
Firm's name and Address

Date

Preparer's Telephone Number

MAIL TO:

WEST VIRGINIA STATE TAX DEPARTMENT  
TAX ACCOUNT ADMINISTRATION DIVISION  
PO BOX 1202  
CHARLESTON, WV 25324-1202





SCHEDULES B  
A, A-1 & A-2  
(FORM CNF-120)

Calculation of West Virginia Taxable Capital,  
Subsidiary Credit, and Credit for Public Utilities and Electric Power Generators

2011

FEIN

Failure to complete and attach a Schedule B of Form CNF-120APT  
WILL RESULT IN 100% APPORTIONMENT TO WEST VIRGINIA.

**SCHEDULE A**  
**CALCULATION OF WEST VIRGINIA TAXABLE CAPITAL (§11-23-3(b)(2))**

	Column 1 Beginning Balance	Column 2 Ending Balance	Column 3 – Average (Col. 1 + Col. 2) divided by 2
1. Dollar amount of common stock & preferred stock.....	.00	.00	.00
2. Paid-in or capital surplus.....	.00	.00	.00
3. Retained earnings appropriated & unappropriated.....	.00	.00	.00
4. Adjustments to shareholders equity.....	.00	.00	.00
5. Add lines 1 through 4 of column 3.....			.00
6. Less cost of treasury stock.....	.00	.00	.00
7. Capital (subtract line 6, column 3 from line 5, column 3).....			.00
8. Multiplier for allowance for certain obligations/investments (Schedule B-1, line 7).....		.	
9. Allowance (line 7 multiplied by line 8).....			.00
10. Adjusted capital (subtract line 9 from line 7). If taxable only in West Virginia check here <input type="checkbox"/> and enter this amount on line 12.....			.00
11. Apportionment factor (Form CNF-120APT, Schedule B, line 8 or part 3, column 3).....		.	COMPLETED FORM MUST BE ATTACHED
12. TAXABLE CAPITAL (line 10 multiplied by line 11). Enter here and on page 11 of return, line 1.....			.00

**SCHEDULE A-1 – SUBSIDIARY CREDIT (§11-23-17(c))**

Column 1 Account number and name of Subsidiary or Partnership	Column 2 Recomputed Business Franchise Tax Liability	Column 3 Percentage of Ownership	Column 4 Allowable Credit (Column 2 x Column 3)
FEIN			
NAME	.00	.	.00
FEIN			
NAME	.00	.	.00
FEIN			
NAME	.00	.	.00
TOTAL (Enter here and on Form CNF-120TC, column 1, line 1). Attach additional sheets if needed.....			.00

**SCHEDULE A-2**  
**TAX CREDIT FOR PUBLIC UTILITIES AND ELECTRIC POWER GENERATORS (§11-23-17(b))**

1. Gross income in West Virginia subject to STATE Business and Occupation Tax.....	.00
2. Total gross income of taxpayer from all activity in West Virginia.....	.00
3. Line 1 divided by line 2 (round to six [6] decimal places).....	.
4. Business franchise liability (from front of return, line 3, reduced by subsidiary credit.....	.00
5. Allowable credit (line 4 x line 3). Enter here and on Form CNF-120TC, column 1, line 2).....	.00





## SCHEDULE

**B****Adjustments to Federal Taxable Income****2011**(FORM CNF-120) **B**

NAME

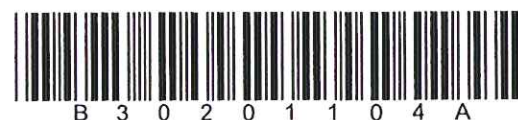
FEIN

**Adjustments Increasing Federal Taxable Income (§11-24-6 and 6a)**

1. Interest or dividends from any state or local bonds or securities.....	1	.00
2. US Government obligation interest or dividends not exempt from state tax, less related expenses not deducted on federal return.....	2	.00
3. Income taxes or taxes based upon net income, imposed by this state or any other jurisdiction, deducted on your federal return.....	3	.00
4. Federal depreciation/amortization for West Virginia water/air pollution control facilities – wholly West Virginia corporations only.....	4	.00
5. Unrelated business taxable income of a corporation exempt from federal tax (IRC-512)....	5	.00
6. Federal net operating loss deduction.....	6	.00
7. Federal deduction for charitable contributions to Neighborhood Investment Programs, if claiming the West Virginia Neighborhood Investment Programs Tax Credit.....	7	.00
8. Net operating loss from sources outside the United States.....	8	.00
9. Foreign taxes deducted on your federal return.....	9	.00
10. Deduction taken under IRC § 199 (WV Code §11-24-6a).....	10	.00
11. Add back expenses related to certain REIT's and Regulated Investment Companies and certain interest and intangible expenses (WV Code §11-24-4b).....	11	.00
12. TOTAL INCREASING ADJUSTMENTS (Add lines 1 through 11; enter here and on line 7, Form CNF-120).....	12	.00

**Adjustments Decreasing Federal Taxable Income (§11-24-6)**

13. Refund or credit of income taxes or taxes based upon net income, imposed by this state or any other jurisdiction, included in federal taxable income.....	13	.00
14. Interest expense on obligations or securities of any state or its political subdivisions, disallowed in determining federal taxable income.....	14	.00
15. Salary expense not allowed on federal return due to claiming the federal jobs credit.....	15	.00
16. Foreign dividend gross-up (IRC Section 78).....	16	.00
17. Subpart F income (IRC Section 951).....	17	.00
18. Taxable income from sources outside the United States.....	18	.00
19. Cost of West Virginia water/air pollution control facilities – wholly WV only.....	19	.00
20. Employer contributions to medical savings accounts (WV Code §33-16-15) included in federal taxable income less amounts withdrawn for non-medical purposes.....	20	.00
21. SUBTOTAL of decreasing adjustments (Add lines 13 through 20).....	21	.00
22. Schedule B-1 allowance (Schedule B-1, Line 9).....	22	.00
23. TOTAL DECREASING ADJUSTMENTS (Add lines 21 and 22; enter here and on line 8, Form CNF-120).....	23	.00





(FORM CNF-120) B

FEIN

**Allowance for Governmental Obligations/Obligations Secured by Residential Property (§11-24-6(f))**

1. Federal obligations and securities.....	1		.00
2. Obligations of West Virginia and any political subdivision of West Virginia.....	2		.00
3. Investments or loans primarily secured by mortgages or deeds of trusts on residential property located in West Virginia.....	3		.00
4. Loans primarily secured by a lien or security agreement on a mobile home or double-wide located in West Virginia.....	4		.00
5. TOTAL (Add lines 1 through 4).....	5		.00
6. Total assets as shown on Schedule L, Federal Form 1120 or 1120A.....	6		.00
7. Divide line 5 by line 6 (round to six (6) decimal places).....	7	.	
8. Adjusted income (CNF-120 line 6 plus Schedule B line 12, minus line 21, plus Form CNF-120APT, Schedule A-2, lines 9, 10, & 11).....	8		.00
9. ALLOWANCE (line 7 multiplied by line 8, disregard sign) Enter here and on Schedule B, line 22.....	9		.00

**Schedule of tax payments (will be applied to Business Franchise Tax first)**

[illegible]



West Virginia  
Net Operating Loss Carryforward Calculation (§11-24-6 (d))

201

[illegible]

\*Net operating loss carryforwards that were earned by a parent corporation that filed a consolidated return before January 1, 2009 may be applied as a deduction from the West Virginia taxable income of any member of the taxpayer's controlled group until the net operating loss carryforward is used or expires. If applicable, provide the name and FEIN of the consolidated parent corporation that claimed a net operating loss carryforward prior to January 1, 2009. **If this is not applicable, skip this column.**



**CNF-120APT**  
 REV 8-11

B

 Allocation and Apportionment for  
 Multistate Businesses

**2011**

FEIN

This form is used by corporations that are subject to tax in more than one state to allocate and apportion their income and/or capital to the State of West Virginia. Complete and attach to Form CNF-120. See instructions for information on Schedule A1, A2, and B, Part 1, 2, & 3)

**SCHEDULE A1 EVERYWHERE**  
**ALLOCATION OF NONBUSINESS INCOME FOR MULTISTATE BUSINESSES (§11-24-7)**

Types of allocable income	Column 1 GROSS INCOME	Column 2 RELATED EXPENSES	Column 3 NET INCOME
1. Rents.....	.00	.00	.00
2. Royalties.....	.00	.00	.00
3. Capital gains/losses.....	.00	.00	.00
4. Interest.....	.00	.00	.00
5. Dividends.....	.00	.00	.00
6. Patent/copyright royalties.....	.00	.00	.00
7. Gain – sale of natural resources (IRC Sec. 631 (a)(b)).....	.00	.00	.00
8. Nonbusiness income/loss – Sum of lines 1 through 7, column 3. Enter column 3 on CNF-120, line 10.....			.00

**SCHEDULE A2 WEST VIRGINIA**  
**ALLOCATION OF NONBUSINESS INCOME FOR MULTISTATE BUSINESSES (§11-24-7)**

Types of allocable income	Column 1 GROSS INCOME	Column 2 RELATED EXPENSES	Column 3 NET INCOME
1. Rents.....	.00	.00	.00
2. Royalties.....	.00	.00	.00
3. Capital gains/losses.....	.00	.00	.00
4. Interest.....	.00	.00	.00
5. Dividends.....	.00	.00	.00
6. Patent/copyright royalties.....	.00	.00	.00
7. Gain – sale of natural resources (IRC Sec. 631 (a)(b)).....	.00	.00	.00
8. Nonbusiness income/loss (sum of lines 1 through 7 of column 3).....			.00
9. Less cost of West Virginia water/air pollution control facilities this year.....			.00
10. Federal depreciation/amortization on those facilities this year.....			.00
11. Federal depreciation/amortization on such facilities expensed in prior year.....			.00
12. Net nonbusiness income/loss allocated to West Virginia (sum of lines 8 through 11, column 3. Enter on CNF-120, Line 14).....			.00



B 3 0 2 0 1 1 0 6 A



FEIN

**FAILURE TO COMPLETE SCHEDULE B  
WILL RESULT IN 100% APPORTIONMENT TO  
WEST VIRGINIA**

B

**SCHEDULE B  
APPORTIONMENT FACTORS FOR MULTISTATE BUSINESS/PARTNERSHIPS (§11-24-7, & 11-23-5)**

**PART 1 – REGULAR FACTOR**

LINES 1 & 2: Divide Column 1 by Column 2 and enter six (6) digit decimal in column 3.

LINE 5: Column 1 – Enter line 3. Column 2 – line 3 less line 4. Divide column 1 by column 2 and enter six (6) digit decimal in column 3.

	Column 1 West Virginia	Column 2 Everywhere	Column 3 Decimal Fraction (6 digits)
1. Total Property.....	.00	.00	•
2. Total Payroll.....	.00	.00	•
3. Total Sales.....	.00	.00	
4. Sales to purchasers in a state where you are not taxable.....		.00	
5. Adjusted Sales.....	.00	.00	•
6. Adjusted Sales (enter line 5 again)	.00	.00	•
7. TOTAL: Add Column 3, Lines 1, 2, 5, and 6.....			•
8. APPORTIONMENT FACTOR – Line 7 divided by the number 4, reduced by the number of factors showing zero in column 2, lines 1, 2, 5, and 6. Enter six (6) digits after the decimal. Enter on Form CNF-120, line 12 and on CNF-120 Schedule A, line 11.....			•

**PART 2 – MOTOR CARRIER FACTOR (§11-24-7a)**

VEHICLE MILEAGE – Use for Corporate Income Tax ONLY. Use Part 1 for Franchise Tax. Enter column 3 on Form CNF-120 line 12.

Column 1 West Virginia	Column 2 Everywhere	Column 3 Decimal Fraction (6 digits)
		•

**PART 3 – FINANCIAL ORGANIZATION FACTOR (§11-24-7b and 11-23-5a)**

GROSS RECEIPTS – Enter Column 3 on CNF-120, line 12 and on CNF-120 Schedule A, Line 11.

Column 1 West Virginia	Column 2 Everywhere	Column 3 Decimal Fraction (6 digits)
.00	.00	•





**CNF-120TC**  
 REV 8-11

B

 Summary of Corporation Net Income Tax/  
 Business Franchise Tax Credits

**2011**

NAME

FEIN

This form is used by corporations to summarize the tax credits that they claim against their corporate net income tax and/or business franchise tax liability. In addition to completing this summary form, each tax credit has a schedule or form that is used to determine the amount of credit that can be claimed. **Both this summary form and the appropriate credit calculation schedule(s) or form(s) must be attached to you return in order to claim a tax credit. If you are claiming the Neighborhood Investment Program Credit you are no longer required to enclose the WV/NIPA-2 credit schedule with your return. You must maintain the schedule in your files.**

TAX CREDITS THE TOTAL AMOUNT OF CREDIT FOR EITHER TAX CANNOT EXCEED THE TAX LIABILITY FOR THAT TAX	COLUMN 1 APPLICABLE TO BUSINESS FRANCHISE TAX	COLUMN 2 APPLICABLE TO CORPORATE INCOME TAX
1. Subsidiary Credit (§11-23-17(c)) – Schedule A-1, Form CNF-120.....	.00	
2. Business & Occupation Tax Credit (§11-23-17(b)) – Schedule A-2, Form CNF-120.....	.00	
3. Research and Development Projects Credit (§11-13D-3(f)) – Schedule R & D*.....	.00	.00
4. Strategic Research and Development Tax Credit (§11-13R) – Schedule WV/SRDTC-1.....	.00	.00
5. High-Growth Business Investment Tax Credit (§11-13U-4) – Schedule WV/HGBITC-1.....	.00	.00
6. Business Investment & Job Expansion Credit (§11-13C), Form WV/BCS-A, and WV/BCS-1 or WV/BCS-Small*,**.....	.00	.00
7. Economic Opportunity Tax Credit (§11-13Q) – Schedule WV/EOTC-1.....	.00	.00
8. Industrial Expansion/Revitalization Credit (§11-13D) Schedule I *.....	.00	
9. Manufacturing Investment Tax Credit (§11-13S) – Schedule WV/MITC-1.....	.00	.00
10. Residential Housing Development Projects Credit (§11-13D) – Schedule O *.....	.00	
11. Coal Loading Facilities Credit (§11-13E) – Schedule C.....	.00	
12. Historic Rehabilitated Buildings Investment Credit (§11-24-23a) – Schedule RBIC.....		.00
13. West Virginia Neighborhood Investment Program Credit (§11-13J) – Form WV/NIPA-2.....	.00	.00
14. Environmental Agricultural Equipment Tax Credit (§11-13K) – Form WV/AG-1.....		.00
15. Electric and Gas Utilities Rate Reduction Credit (§11-24-11) – Schedule L.....		.00
16. Telephone Utilities Rate Reduction Credit (§11-24-11a) – Schedule K.....		.00
17. West Virginia Military Incentive Credit (§11-24-12) – Schedule J.....		.00
18. Aerospace Industry Facility Credit (§11-13D-3f) – Form WV/AIF-1*	.00	.00

Continued on the next page. . .





NAME

FEIN

## ...Continued from previous page

	COLUMN 1 APPLICABLE TO BUSINESS FRANCHISE TAX ..	COLUMN 2 APPLICABLE TO CORPORATE INCOME TAX
19. Credit for utility taxpayers with net operating loss carryovers (\$11-24-11b) – Schedule WV/UNOLC-1.....		.00
20. Apprentice Training Tax Credit (§11-13w) – Schedule WV/ATTC-1	.00	.00
21. Film Industry Tax Credit (§11-13x) – Schedule WVFIIA-TCS.....	.00	.00
22. Financial Organization Goodwill Tax Credit (§11-23-5a(g)) – Schedule WV/FOGW-1.....	.00	
23. Manufacturing Property Tax Adjustment Credit (§11-13Y) – Schedule WV/MPTAC-1.....	.00	.00
24. Financial Organization Transition Credit (§11-24-9b) – Schedule WV/FOTC-1.....		.00
25. Alternative Fuel Tax Credit (§11-6D) Schedule AFTC-1.....	.00	.00
26. Commercial Patent Incentives Tax Credits (§11-13AA) – Schedule CPITC-1.....	.00	.00
27. TOTAL CREDITS – Add lines 1 through 26.....	.00	.00
	Enter on line 4 of Form CNF-120	Enter on line 20 of Form CNF-120

**Attach this form and the appropriate computation schedules/forms and documentation to your return to support the credit claimed.**

\* No credit is available to any taxpayer for investment placed in service or use after December 31, 2002. Taxpayers who gained entitlement to the tax credit prior to January 1, 2003 retain that entitlement and may apply the credit in due course pursuant to the requirements and limitations of the original credit entitlement period.

\*\* Transition rules may apply





**CNF-120W**

ORIG. 8-11

B

**West Virginia Withholding Tax Schedule  
Corporation Net Income Tax****2011**

Do NOT send NRW-2's, K-1's, and/or 1099's with your return.  
Enter WV withholding information below.

BUSINESS NAME SHOWN ON FORM CNF-120		FEIN	
<b>A – Payer Information</b>		<b>B – Taxpayer Information</b>	
Payer ID from 1099, K-1, and/or NRW-2		Name	
<b>1</b> Payer Name		FEIN	
Address			
City, State, ZIP		Income Subject to WV WITHHOLDING .00	
		<b>C – WV Tax Withheld</b>	
		.00	
		WV WITHHOLDING	
		Check the appropriate box	
		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
		Date tax year ending (MMYY)	
		Enter WV withholding Only	
<b>A – Payer Information</b>		<b>B – Taxpayer Information</b>	
Payer ID from 1099, K-1, and/or NRW-2		Name	
<b>2</b> Payer Name		FEIN	
Address			
City, State, ZIP		Income Subject to WV WITHHOLDING .00	
		<b>C – WV Tax Withheld</b>	
		.00	
		WV WITHHOLDING	
		Check the appropriate box	
		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
		Date tax year ending (MMYY)	
		Enter WV withholding Only	
<b>A – Payer Information</b>		<b>B – Taxpayer Information</b>	
Payer ID from 1099, K-1, and/or NRW-2		Name	
<b>3</b> Payer Name		FEIN	
Address			
City, State, ZIP		Income Subject to WV WITHHOLDING .00	
		<b>C – WV Tax Withheld</b>	
		.00	
		WV WITHHOLDING	
		Check the appropriate box	
		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
		Date tax year ending (MMYY)	
		Enter WV withholding Only	
<b>A – Payer Information</b>		<b>B – Taxpayer Information</b>	
Payer ID from 1099, K-1, and/or NRW-2		Name	
<b>4</b> Payer Name		FEIN	
Address			
City, State, ZIP		Income Subject to WV WITHHOLDING .00	
		<b>C – WV Tax Withheld</b>	
		.00	
		WV WITHHOLDING	
		Check the appropriate box	
		<input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2	
		Date tax year ending (MMYY)	
		Enter WV withholding Only	

Total WV tax withheld from column C above..... **.00**

If you have WV withholding on multiple pages, add the totals and  
enter the GRAND total on line 24, Form CNF-120





**CNF-120W**

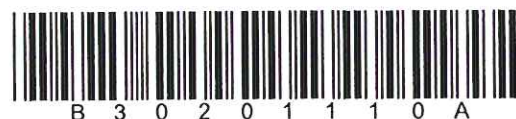
ORIG. 8-11

B

**West Virginia Withholding Tax Schedule  
Corporation Net Income Tax****2011**Do NOT send NRW-2's, K-1's, and/or 1099's with your return.  
Enter WV withholding information below.

BUSINESS NAME SHOWN ON FORM CNF-120		FEIN	
<b>1</b>	<b>A – Payer Information</b> Payer ID from 1099, K-1, and/or NRW-2 Payer Name Address City, State, ZIP	<b>B – Taxpayer Information</b> Name FEIN Income Subject to WV WITHHOLDING	<b>C – WV Tax Withheld</b> .00 WV WITHHOLDING Check the appropriate box <input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2 Date tax year ending (MMYY) Enter WV withholding Only
<b>2</b>	<b>A – Payer Information</b> Payer ID from 1099, K-1, and/or NRW-2 Payer Name Address City, State, ZIP	<b>B – Taxpayer Information</b> Name FEIN Income Subject to WV WITHHOLDING	<b>C – WV Tax Withheld</b> .00 WV WITHHOLDING Check the appropriate box <input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2 Date tax year ending (MMYY) Enter WV withholding Only
<b>3</b>	<b>A – Payer Information</b> Payer ID from 1099, K-1, and/or NRW-2 Payer Name Address City, State, ZIP	<b>B – Taxpayer Information</b> Name FEIN Income Subject to WV WITHHOLDING	<b>C – WV Tax Withheld</b> .00 WV WITHHOLDING Check the appropriate box <input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2 Date tax year ending (MMYY) Enter WV withholding Only
<b>4</b>	<b>A – Payer Information</b> Payer ID from 1099, K-1, and/or NRW-2 Payer Name Address City, State, ZIP	<b>B – Taxpayer Information</b> Name FEIN Income Subject to WV WITHHOLDING	<b>C – WV Tax Withheld</b> .00 WV WITHHOLDING Check the appropriate box <input type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2 Date tax year ending (MMYY) Enter WV withholding Only

Total WV tax withheld from column C above..... .00

If you have WV withholding on multiple pages, add the totals and  
enter the GRAND total on line 24, Form CNF-120



**CNF-120U**

REV 8-11

B

Underpayment of Estimated Tax Penalty  
(WV Code §11-10-18a)**2011**

NAME

FEIN

**PART 1: All filers must complete this part**

1. Business Franchise Tax after credits (line 5 of Form CNF-120)..... 1 .00

**IF LINE 1 IS LESS THAN \$12,000 DO NOT COMPLETE LINES 2 OR 3. ENTER ZERO ON LINE 4**

2. Multiply line 1 by ninety percent (.90)..... 2 .00

3. Enter the Franchise Tax after credits from your 2010 return (see instructions)..... 3 .00

4. Enter the smaller of line 2 or line 3..... 4 .00

5. Corporate Net Income Tax after credits (line 21 of Form CNF-120)..... 5 .00

**IF LINE 5 IS LESS THAN \$850, DO NOT COMPLETE LINES 6 OR 7. ENTER ZERO ON LINE 8**

6. Multiply line 5 by ninety percent (.90)..... 6 .00

7. Enter the income tax after credits from your 2010 return (see instructions)..... 7 .00

8. Enter the smaller of line 6 or line 7..... 8 .00

9. Combined Franchise/Income Tax required to be paid. Add line 4 and line 8..... 9 .00

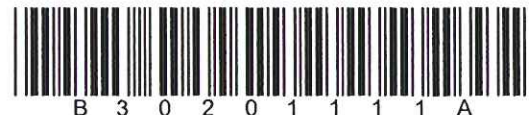
**IF LINE 9 IS ZERO, DO NOT COMPLETE THIS FORM! YOU ARE NOT SUBJECT TO THE PENALTY.  
REFER TO THE INSTRUCTIONS TO DETERMINE YOUR OPTIONS FOR CALCULATING THE UNDERPAYMENT PENALTY**10. Determine your penalty by completing Part II, Part III, and Part IV. Enter your penalty here  
and on line 35 of Form CNF-120..... 10 .00If you are requesting a waiver of the penalty calculated, check here ☐**PART II: If you are using the ANNUALIZED INCOME WORKSHEET to compute your underpayment penalty, complete Part II****SECTION 1. ANNUALIZED INCOME INSTALLMENT (Multistate taxpayers use apportioned figures for lines 1 and 4)**

	Column B: 3 months	Column C: 6 months	Column D: 9 months
1. Enter WV taxable capital for each period.....	.00	.00	.00
2. Annualization amounts..... 4		2	1.3333
3. Multiply line 1 by line 2.....	.00	.00	.00

	Column A: 3 months	Column B: 5 months	Column C: 8 months	Column D: 11 months
4. Enter the WV taxable income for each period.....	.00	.00	.00	.00
5. Annualization amounts..... 4		2.4	1.5	1.09091
6. Multiply line 4 by line 5.....	.00	.00	.00	.00

**PART 2: For line 7 of column A, enter the amount from line 6 of column A.  
In columns B, C, & D, enter the smaller of the amounts in each column from line 3 or line 6.**

7. Annualized taxable income.....	.00	.00	.00	.00
8. Tax rate.....	.0085	.0085	.0085	.0085
9. Annualized tax (multiply line 7 by line 8).....	.00	.00	.00	.00
10. Tax credits. Enter credits from line 20 of form CNF-120 in each column.....	.00	.00	.00	.00
11. Subtract line 10 from line 9. If zero or less, enter 0.....	.00	.00	.00	.00
12. Applicable percentage.....	0.225	0.45	0.675	0.9
13. Multiply line 11 by line 12.....	.00	.00	.00	.00





FEIN

B



**COMPLETE LINES 14 THROUGH 20 FOR ONE COLUMN BEFORE GOING TO THE NEXT COLUMN**

	Column A	Column B	Column C	Column D
14. Add the amounts in all previous columns of line 20.....		.00	.00	.00
15. Subtract line 14 from line 13. If zero or less, enter 0.....	.00	.00	.00	.00
16. Enter 1/4 of line 8 of Part I in each column.....	.00	.00	.00	.00
17. Enter the amount from line 19 of the previous column of this worksheet.....		.00	.00	.00
18. Add lines 16 and 17.....	.00	.00	.00	.00
19. Subtract line 15 from line 18. If zero or less, enter 0.....	.00	.00	.00	
20. Required Installment. Enter the smaller of line 15 or line 18.....	.00	.00	.00	.00

**SECTION 2. ANNUALIZED FRANCHISE INSTALLMENT (Lines 21 and 24; Multistate taxpayers use apportioned figures.)**

	Column B: 3 months	Column C: 6 months	Column D: 9 months
21. Enter the WV taxable capital for each period.....	.00	.00	.00
22. Annualization amounts.....	4	2	1.3333
23. Multiply line 21 by line 22.....	.00	.00	.00

	Column A: 3 months	Column B: 5 months	Column C: 8 months	Column D: 11 months
24. Enter the WV taxable capital for each period.....	.00	.00	.00	.00
25. Annualization amounts.....	4	2.4	1.5	1.09091
26. Multiply line 24 by line 25.....	.00	.00	.00	.00

**\*\*Special note regarding line 27: In column A, enter the amount from line 26 of column A. In columns B, C, and D, enter the smaller of the amounts in each column from line 23 or line 26.\*\***

27. Annualized taxable capital.....	.00	.00	.00	.00
28. Tax Rate.....	.0034	.0034	.0034	.0034
29. Annualized Tax. Multiply line 27 by line 28.....	.00	.00	.00	.00
30. Tax credits. Enter credits from line 4 of Form CNF-120 in each column.....	.00	.00	.00	.00
31. Subtract line 30 from line 29. If zero or less, enter 0.....	.00	.00	.00	.00
32. Applicable percentages.....	0.225	0.45	0.675	0.9
33. Multiply line 31 by line 32.....	.00	.00	.00	.00

**COMPLETE LINES 34 THROUGH 40 FOR ONE COLUMN BEFORE GOING TO THE NEXT COLUMN. FOR COLUMN A START WITH LINE 35**

34. Add amounts in all previous columns of lines 40.....		.00	.00	.00
35. Subtract line 34 from line 33. If zero or less, enter 0.....	.00	.00	.00	.00
36. Enter 1/4 of line 4 of Part I in each column.....	.00	.00	.00	.00
37. Enter the amount from line 39 and of the previous column of this worksheet.....		.00	.00	.00
38. Add lines 36 and 37.....	.00	.00	.00	.00
39. Subtract line 35 from line 38. If zero or less, enter 0.....	.00	.00	.00	
40. Required Installment. Enter the smaller of line 35 or 38.....	.00	.00	.00	.00

**SECTION 3. COMBINED ANNUALIZED INSTALLMENT: Add lines 20 and 40. Enter on Part III, Line 2**

41. Combined Annualized Income/ Franchise Installment.....	.00	.00	.00	.00
--	-----	-----	-----	-----



**CNF-120U** B  
 REV 8-11

 Underpayment of Estimated Tax Penalty  
 (Continued)

**2011**

NAME

FEIN

**PART 3: Calculate the Underpayment**

	Column A	Column B	Column C	Column D
42. Installment Due Dates: Enter in columns A – D the 15th day of the 4th, 6th, 9th, and 12th months of your tax year.....				
43. If you are using the annualized method, enter the amounts from Part 2, line 41; otherwise 1/4 of line 9 of Part 1 in each column.....	.00	.00	.00	.00
44. Estimated payments (see instructions). If line 44 is greater than or equal to line 43 for all columns, stop here, you are not subject to the penalty.....	.00	.00	.00	.00

**COMPLETE LINES 45 THROUGH 51 FOR ONE COLUMN BEFORE GOING TO THE NEXT COLUMN**

45. Enter the amount, if any, from line 51 of the previous column.....		.00	.00	.00
46. Add lines 44 and 45.....		.00	.00	.00
47. Add lines 49 and 50 of the previous column.....		.00	.00	.00
48. In column A enter the value from line 44. In columns B – D, subtract line 47 from line 46. If zero or less, enter 0.....	.00	.00	.00	.00
49. If line 48 is zero, subtract line 46 from line 47; otherwise enter 0.....		.00	.00	
50. UNDERPAYMENT: If line 43 is equal to or more than line 48, subtract line 48 from line 43. Enter the result here and go to line 45 of the next column. Otherwise, go to line 51.....	.00	.00	.00	.00
51. OVERPAYMENT: If line 48 is more than line 43, subtract line 43 from line 48. Enter the result here and go to line 45 of the next column.....	.00	.00	.00	.00

**PART 4: Calculate the Penalty**

52. Enter the date of the installment payment or the unextended due date of your annual return, whichever is earlier.....				
53. Enter the number of days from the due date of the installment on Part 3, line 42 to the date shown on Part 4, line 52.....				
54. Enter the number of days on line 53 before 7/1/11.....				
55. Enter the number of days on line 53 after 6/30/11 and before 1/1/12.....				
56. Enter the number of days on line 53 after 12/31/11 and before 7/1/12.....				
57. Enter the number of days on line 53 after 6/30/12 and before 1/1/13.....				
58. Underpayment on Part 3, Line 50 x (number of days on line 54/365) x .095.....	.00	.00	.00	.00
59. Underpayment on Part 3, Line 50 x (number of days on line 55/365) x .095.....	.00	.00	.00	.00
60. Underpayment on Part 3, Line 50 x (number of days on line 56/365) x * %.....	.00	.00	.00	.00
61. Underpayment on Part 3, Line 50 x (number of days on line 57/365) x * %.....	.00	.00	.00	.00
62. TOTAL: Add lines 58 through 61.....	.00	.00	.00	.00
63. PENALTY DUE – Add Columns A – D, line 62. Enter here and on line 10 of Part 1 and on line 35 of Form CNF-120.....				.00

\*See instructions to determine rates in effect for these periods.



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**CNF-120T**  
REV 8-11

B

West Virginia Tentative Corporation Net Income/  
Business Franchise Tax Return

**2011**

FEIN

**See instructions  
on reverse side.**

EXTENDED DUE DATE

TAX YEAR							
BEGINNING				ENDING			
	MM	DD	YYYY		MM	DD	YYYY

<b>BUSINESS NAME AND ADDRESS</b>          	<b>TYPE OF BUSINESS</b> (CHECK ONLY ONE)  <input type="checkbox"/> CORPORATION <input type="checkbox"/> NONPROFIT  Has form 7004 or 8868 been filed with the Internal Revenue Service for this taxable year?  <input type="checkbox"/> NO <input type="checkbox"/> YES
--	---

1. Tentative West Virginia Business Franchise Tax.....	1	.00
2. Tentative West Virginia Corporate Net Income Tax.....	2	.00
3. Less Estimated Payments.....	3	.00
4. Less Prior Year Credit.....	4	.00
5. Balance Due.....	5	.00

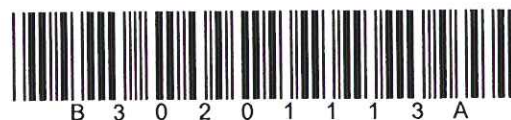
Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true and complete.

SIGNATURE

TITLE

DATE

Make check payable and remit to:  
**West Virginia State Tax Department**  
Tax Account Administration Division  
PO Box 1202  
Charleston, WV 25324-1202





**WEST VIRGINIA TENTATIVE  
CORPORATION NET INCOME/BUSINESS FRANCHISE TAX RETURN**

---

**NOTE:** This form is to be used for making tentative Corporation Net Income/Business Franchise Tax Payments and is not a substitute for filing of the actual annual return (Form CNF-120).

---

**WHO MAY FILE:** Any taxpayer who has filed Federal Form 7004 and/or 8868 and expects to owe West Virginia Corporation Net Income and/or Business Franchise Tax for the taxable year. Any taxpayer granted an extension of time to file a federal return is automatically granted the same extension of time to file their West Virginia return. **An extension of time for filing does not extend the time for payment.** To avoid interest and additions to tax for late payment, use this return to make a tentative payment pending the filing of your annual return.

**WHEN TO FILE:** **Corporations** are to file on or before the fifteenth day of the third month following the close of the taxable year. **Tax exempt organizations with unrelated business income** are to file on or before the fifteenth day of the fifth month following the close of the taxable year.

**CLAIMING OF TENTATIVE PAYMENT:** A tentative payment made by filing Form CNF-120T must be claimed on line 23 of your annual return (Form CNF-120).

**DO NOT SEND A COPY OF YOUR FEDERAL FORM 7004 OR 8868 WITH THIS RETURN.** Instead, attach it to your annual return and enter the extended date on the face of the return.

DRAFT  
9/27/11



## SCHEDULE

UB-1

(FORM CNF-120)

### List of Members in Unitary Combined Group

**B** (Only use the UB forms & schedules when filing a combined report)

2011

NAME \_\_\_\_\_ FEIN \_\_\_\_\_

Common year ending for the unitary business group: \_\_\_\_\_

MM

DD

Y Y Y Y

## List all members (See specific Instructions)

[illegible]

**NOTE: After completing this schedule, see Schedule UB Instructions for Completing Form CNF-120**



SCHEDULE  
**UB-2**  
(FORM CNF-120) B

Calculation of WV Taxable Capital for Combined Group  
(§11-23-3(b)(2))

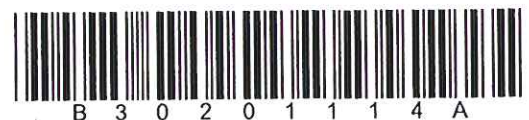
**2011**

NAME

FEIN

	<b>GROUP 1</b> Regular Entities	<b>GROUP 2</b> Motor Carriers	<b>GROUP 3</b> Financial organizations
<b>DOLLAR AMOUNT OF COMMON AND PREFERRED STOCK</b>			
1. Beginning Balance.....	.00	.00	.00
2. Ending Balance.....	.00	.00	.00
3. Average [(line 1 + line 2) ÷ 2].....	.00	.00	.00
<b>PAID IN CAPITAL SURPLUS</b>			
4. Beginning Balance.....	.00	.00	.00
5. Ending Balance.....	.00	.00	.00
6. Average [(line 4 + line 5) ÷ 2].....	.00	.00	.00
<b>RETAINED EARNINGS – APPROPRIATED AND UNAPPROPRIATED</b>			
7. Beginning Balance.....	.00	.00	.00
8. Ending Balance.....	.00	.00	.00
9. Average [(line 7 + line 8) ÷ 2].....	.00	.00	.00
<b>ADJUSTMENTS TO SHAREHOLDERS EQUITY</b>			
10. Beginning Balance.....	.00	.00	.00
11. Ending Balance.....	.00	.00	.00
12. Average [(line 10 + line 11) ÷ 2].....	.00	.00	.00
13. Add lines 3, 6, 9, and 12.....	.00	.00	.00
14. Less cost of treasury stock (average).....	.00	.00	.00
15. Capital (Subtract line 14 from line 13).....	.00	.00	.00
16. Multiplier for obligations/investments allowance (round to six [6] decimal places).....	.	.	.
17. Obligations/investments allowance (line 15 multiplied by line 16).....	.00	.00	.00
18. Adjusted capital (subtract line 17 from line 15).....	.00	.00	.00
19. Group adjusted capital.....	.00	.00	.00
20. Apportionment factor (round to six [6] decimal places).....	.	.	.
21. Taxable capital (line 19 multiplied by line 20).....	.00	.00	.00
22. Combined total taxable capital (add line 21 from groups 1 through 3) – Enter on Form CNF-120, line 1.....			.00

Only use the UB forms & schedules when filing combined reporting





SCHEDULE  
**UB-3**  
(FORM CNF-120) B

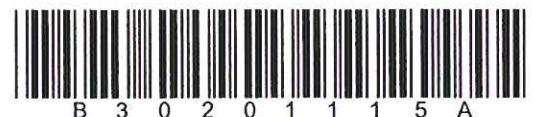
Calculation of WV Taxable Income for Combined Group  
(§11-24-6)

**2011**

NAME	FEIN
------	------

	GROUP 1 Regular Entities	GROUP 2 Motor Carriers	GROUP 3 Financial organizations
<b>PART 1 – INCREASING ADJUSTMENTS</b>			
1. Federal taxable income.....	.00	.00	.00
2a. Interest/dividends from state/local bonds/ securities.....	.00	.00	.00
2b. US obligation Interest/dividends not exempt from state tax.....	.00	.00	.00
2c. Income/other tax based upon net income, deducted on your federal return.....	.00	.00	.00
2d. Federal depreciation/amortization for wholly WV corporation water/air pollution control facilities.....	.00	.00	.00
2e. Unrelated business taxable income of a corpo- ration exempt from federal tax (IRC Sec. 512).....	.00	.00	.00
2f. Federal Net Operating Loss deduction.....	.00	.00	.00
2g. WV Neighborhood Investment Programs Tax Credit (charitable contributions to NIPA).....	.00	.00	.00
2h. Net operating loss from sources outside US.....	.00	.00	.00
2i. Foreign Taxes deducted on your federal return.....	.00	.00	.00
2j. IRC Sec. 199 deduction (WV §11-24-6a).....	.00	.00	.00
2k. Add back for expenses related to certain REIT's and regulated investment companies and certain interest and intangible expenses (WV Code §11-24-4b).....	.00	.00	.00
3. Total increasing adjustments (Add lines 2a – 2k)	.00	.00	.00
<b>PART 2 – DECREASING ADJUSTMENTS</b>			
4a. Refund/credit on taxes based upon net income included in federal taxable income.....	.00	.00	.00
4b. Interest expenses on obligations/securities not allowed in determining federal taxable income.....	.00	.00	.00
4c. Salary expense not allowed on federal return due to claiming federal jobs credit.....	.00	.00	.00
4d. Foreign dividend gross-up (IRC Sec. 78).....	.00	.00	.00
4e. Subpart F income (IRC Sec. 951).....	.00	.00	.00
4f. Taxable income from sources outside US.....	.00	.00	.00

(Continued on Next Page)





FEIN

B

(Continued from previous page)	<b>GROUP 1</b> Regular Entities	<b>GROUP 2</b> Motor Carriers	<b>GROUP 3</b> Financial Organizations
<b>PART 2 – DECREASING ADJUSTMENTS (CONTINUED)</b>			
4g. Cost of wholly WV water/air pollution control facilities.....	.00	.00	.00
4h. Federal taxable income employer contributions to medical savings accounts withdrawn for non-medical purposes.....	.00	.00	.00
4i. Allowance for obligations/investments.....	.00	.00	.00
5. Total decreasing adjustments (add lines 4a – 4i).....	.00	.00	.00
6. Adj. taxable income (add lines 1 & 3, subtract line 5).....	.00	.00	.00
7. Total nonbusiness income allocated everywhere.....	.00	.00	.00
8. Total non-unitary business income.....	.00	.00	.00
9. Income subject to apportionment – subtract lines 7 and 8 from line 6.....	.00	.00	.00
10. Group income subject to apportionment for each member.....	.00	.00	.00
11. WV apportionment factor (round to six [6] decimal places).....	.	.	.
12. WV apportionment income – line 10 multiplied by line 11.....	.00	.00	.00
13. Nonbusiness income allocated to WV.....	.00	.00	.00
14. Non-unitary business income apportioned to WV.....	.00	.00	.00
15. WV taxable income (add lines 12, 13, and 14).....	.00	.00	.00
16. WV net operating loss carryforward.....	.00	.00	.00
17. WV net taxable income – subtract line 16 from line 15.....	.00	.00	.00
18. Combined total WV net taxable income (add lines 17 from groups 1 through 3) enter on Form CNF-120, Line 17.....			.00



B 3 0 2 0 1 1 1 6 A



SCHEDULE  
**UB-4APT** B  
(FORM CNF-120)

**Allocation and Apportionment for Multistate Businesses**  
(Only use the UB forms & schedules when filing a combined report)

**2011**

MEMBER NAME

UNITARY FEIN

This form is used by corporations that are subject to tax in more than one state to allocate and apportion their income and/or capital to the State of West Virginia. Complete for each corporation and retain for your records.

MEMBER FEIN

**SCHEDULE A1 EVERYWHERE – Allocation of Nonbusiness Income For Multistate Businesses (§11-24-7)**

Types of Allocable Income	Column 1 – Gross Income	Column 2 – Related Expenses	Column 3 – Net Income
1. Rents.....	.00	.00	.00
2. Royalties.....	.00	.00	.00
3. Capital gains/losses.....	.00	.00	.00
4. Interest.....	.00	.00	.00
5. Dividends.....	.00	.00	.00
6. Patent/copyright royalties.....	.00	.00	.00
7. Gain – Sale of natural resources (IRC Sec. 631 (a)(b)).....	.00	.00	.00
8. Nonbusiness income/loss – Sum of lines 1 through 7, column 3. Enter this amount on line 7 of the Corporate Net Income Tax Tab of the UB-4CR for each corporation.....			.00

**SCHEDULE A2 WEST VIRGINIA – Allocation of Nonbusiness Income for Multistate Businesses (§11-24-7)**

Types of Allocable Income	Column 1 – Gross Income	Column 2 – Related Expenses	Column 3 – Net Income
1. Rents.....	.00	.00	.00
2. Royalties.....	.00	.00	.00
3. Capital gains/losses.....	.00	.00	.00
4. Interest.....	.00	.00	.00
5. Dividends.....	.00	.00	.00
6. Patent/copyright royalties.....	.00	.00	.00
7. Gain – Sale of natural resources (IRC Sec. 631 (a)(b)).....	.00	.00	.00
8. Nonbusiness income/loss (Sum of lines 1 through 7, column 3).....			.00
9. Less cost of West Virginia water/air pollution control facilities this year.....			.00
10. Federal depreciation/amortization on those facilities this year.....			.00
11. Federal depreciation/amortization on such facilities expensed in a prior year.....			.00
12. Net nonbusiness income/loss allocated to West Virginia – Sum of lines 8 through 11, column 3. Enter this amount on line 13 of the Corporate Net Income Tax Tab of the UB-4CR for each corporation.....			.00



SCHEDULE  
**UB-4APT**  
(Form CNF-120)

Allocation and Apportionment for Multistate Businesses  
B (Only use the UB forms & schedules when filing a combined report)

**2011**

MEMBER NAME

UNITARY FEIN

This form is used by corporations that are subject to tax in more than one state to allocate and apportion their income and/or capital to the State of West Virginia. Complete for each corporation and retain for your records.

MEMBER FEIN

**SCHEDULE B1 APPORTIONMENT FACTORS FOR MULTISTATE BUSINESSES/PARTNERSHIPS (§11-24-7, AND §11-23-5)**

LINES 1 & 2: Divide column 1 by column 2 and enter six (6) digit decimal in column 3.

LINE 5: Column 1 – Enter line 3. Column 2 – line 3 less line 4. Divide column 1 by column 2 and enter six (6) digit decimal in column 3.

<b>PART 1 REGULAR FACTOR</b>	<b>Column 1 West Virginia</b>	<b>Column 2 Combined Group Everywhere</b>	<b>Column 3 Decimal Fraction</b>
1. Total property.....	.00	.00	•
2. Total payroll.....	.00	.00	•
3. Total sales.....	.00	.00	•
4. Sales to purchasers in a state where you are not taxable.....		.00	•
5. Adjusted sales.....	.00	.00	•
6. Adjusted sales (enter line 5 again).....	.00	.00	•
7. TOTAL: Add lines 1, 2, 5, and 6 of column 3.....			•
8. APPORTIONMENT FACTOR – Line 7 divided by the number 4, reduced by the number of factors showing zero in column 2, lines 1, 2, 5, and 6. Enter six (6) digits after the decimal. Enter on Form CNF-120, Schedule UB-4CR, Corporate Net Income Tax Tab, line 11 and on Form CNF-120, schedule UB-4CR, Business Franchise Tax Tab line 20 for each corporation.....			•

**PART 2 – MOTOR CARRIER FACTOR (§11-24-7a)**

VEHICLE MILEAGE – Use to figure the apportionment factor for Corporate Net Income Tax ONLY. Use part 1 to figure the apportionment factor for Business Franchise Tax. Enter column 3 on CNF-120, Schedule UB-4CR, Corporate Net Income Tax Tab, line 11 for EACH corporation.

<b>Column 1 West Virginia</b>	<b>Column 2 Combined Group Everywhere</b>	<b>Column 3 Decimal Fraction (divide column 1 by column 2 and round to six [6] decimal places)</b>
		•

**PART 3 – FINANCIAL ORGANIZATION FACTOR (§11-24-7b and §11-23-5a)**

GROSS RECEIPTS – Enter column 3 on Form CNF-120, Schedule UB-4CR, Corporate Net Income Tax Tab, line 11 and on Form CNF-120, Schedule UB-4CR Business Franchise Tax Tab, line 20 for EACH corporation.

<b>Column 1 West Virginia</b>	<b>Column 2 Combined Group Everywhere</b>	<b>Column 3 Decimal Fraction (divide column 1 by column 2 and round to six [6] decimal places)</b>
.00	.00	•



SCHEDULE  
**UB-4APT**  
(FORM CNF-120)

Allocation and Apportionment for Multistate Businesses  
(Only use the UB forms & schedules when filing a combined report)

**2011**

MEMBER NAME

UNITARY FEIN

This form is used by corporations that are subject to tax in more than one state to allocate and apportion their income and/or capital to the State of West Virginia. Complete for each corporation and attach to Form UB-4CR.

MEMBER FEIN

**SCHEDULE B2 APPORTIONMENT FACTORS FOR NON-UNITARY MULTISTATE BUSINESSES/PARTNERSHIP INCOME**  
(§11-24-7, AND §11-23-5)

LINES 1 & 2: Divide column 1 by column 2 and enter six (6) digit decimal in column 3.

LINE 5: Column 1 – Enter line 3; Column 2 – line 3 less line 4; Divide column 1 by column 2 and enter six (6) digit decimal in column 3.

<b>PART 1 REGULAR FACTOR</b>	Column 1 West Virginia	Column 2 Combined Group Everywhere	Column 3 Decimal Fraction
1. Total property.....	.00	.00	•
2. Total payroll.....	.00	.00	•
3. Total sales.....	.00	.00	
4. Sales to purchasers in a state where you are not taxable.....		.00	
5. Adjusted sales.....	.00	.00	•
6. Adjusted sales (enter line 5 again).....	.00	.00	•
7. TOTAL: Add lines 1, 2, 5, and 6 of column 3.....			•
8. APPORTIONMENT FACTOR – Line 7 divided by the number 4, reduced by the number of factors showing zero in column 2, lines 1, 2, 5, and 6. Enter six (6) digits after the decimal. Enter on Form CNF-120, Schedule UB-4CR, Corporate Tab, line 11 and on Form CNF-120, schedule UB-4CR Franchise Tab, line 20 for each corporation.....			•
9. Total non-unitary business income everywhere.....			.00
10. Non-unitary business income apportioned to West Virginia (line 9 multiplied by line 8).....			.00

**PART 2 – MOTOR CARRIER FACTOR (§11-24-7a)**

VEHICLE MILEAGE – Use to figure the apportionment factor for Corporate Income Tax ONLY. Use part 1 to figure the apportionment factor for Business Franchise Tax. Enter column 3 on CNF-120, Schedule UB-4CR Corporate, line 11 for EACH corporation.

	Column 1 West Virginia	Column 2 Combined Group Everywhere	Column 3 Decimal Fraction (divide column 1 by column 2 and round to six (6) decimal places)
1			•
2	Total non-unitary business income everywhere.....		.00
3	Non-unitary business income apportioned to West Virginia (line 2 multiplied by line 1).....		.00

**PART 3 – FINANCIAL ORGANIZATION FACTOR (§11-24-7b and §11-23-5a)**

GROSS RECEIPTS – Enter column 3 on Form CNF-120, Schedule UB-4CR Corporate, line 11 and on Form CNF-120, Schedule UB4 Franchise, line 20 for EACH corporation.

	Column 1 West Virginia	Column 2 Combined Group Everywhere	Column 3 Decimal Fraction (divide column 1 by column 2 and round to six (6) decimal places)
1	.00	.00	•
2	Total non-unitary business income everywhere.....		.00
3	Non-unitary business income apportioned to West Virginia (line 2 multiplied by line 1).....		.00



**For your notes**

DRAFT  
9/27/11



For your notes

DRAFT  
9/27/11



# Form CNF-100W INSTRUCTIONS

You must enclose the CNF-100W with your return even if you have no income or withholding.

## A – Payer information:

- Enter the name and address of the payer from which you received the 1099, K-1, or WV-NRW-2.

## B – Taxpayer Information:

- Enter your name. Make sure the Federal Employer Identification Number(s) agree with your statements and are correct.

## C – WV Tax Withheld:

- Enter the amount of WEST VIRGINIA TAX WITHHELD from:
- 1099, line 10
- K-1, line 8 (WV only)
- NRW-2, WV only
- Check the source of withholding, then enter the date the tax year ended.
- Check the box that identifies the tax statement type.

A – Payer Information		B – Taxpayer Information	C – WV Tax Withheld
123456789		ABC Company	500.00
Payer ID from 1099, K-1, and/or NRW-2		Name	WV WITHHOLDING
JSmith INC		555555555	Check the appropriate box
Payer Name		FEIN	<input checked="" type="checkbox"/> 1099 <input type="checkbox"/> K-1 <input type="checkbox"/> NRW-2
123 Any Street			1211 Date tax year ending (MMYY)
Address		5000.00	Enter WV withholding Only
Columbus OH 43085		Income Subject to WV WITHHOLDING	
City, State, ZIP			



...Continued from page 10

**Sales factor.** The term "sales" means all gross receipts of the taxpayer that are business income. The sales factor includes all gross receipts derived from transactions and activity in the regular course of your trade or business, less returns and allowances. Do not include interest or dividends from obligations of the United States government, which are exempt from taxation in West Virginia, or gross receipts from an activity that produced nonbusiness income that you allocated in Schedule A1 and A2 of Form CNF-120APT.

**The denominator (column 2)** of the sales factor includes all gross receipts derived from transactions and activity in the regular course of your trade or business that was reflected in your gross income reported and as appearing on your federal income tax return unless otherwise excluded. Sales of tangible personal property delivered or shipped to a purchaser within a state in which you are not taxed (e.g. under Public Law 86-272) are to be excluded from the denominator.

**The numerator (column 1)** of the sales factor includes all gross receipts attributable to West Virginia and derived from transactions and activity in the regular course of your trade or business. All interest income, service charges or time-price differential charges incidental to such gross receipts must be included regardless of the place where the accounting records are maintained or the location of the contract or other evidence of indebtedness.

**SALES OF TANGIBLE PERSONAL PROPERTY.** Gross receipts from sales of tangible personal property are in West Virginia (1) if the property is received in West Virginia by the purchaser (except sales to the United States government) regardless of the F.O.B. point or other conditions of sales; or (2) if the property is shipped from an office, store, warehouse, factory, or other place of storage in West Virginia and the purchaser is the United States government.

Sales within West Virginia are generally determined on a destination basis. If the purchaser picks up or otherwise receives the property in West Virginia, the sale is treated as taking place in this state. If the property is delivered by common carrier or other means of transportation, the place at which the property is received, after all transportation is completed, is the place where the sale took place. Direct delivery in West Virginia, other than for purposes of transportation, to a person or firm designated by a purchaser, constitutes delivery to the purchaser in West Virginia regardless of where title passes or other conditions of sale. Direct delivery outside West Virginia, to a person or firm designated by a purchaser, does not constitute delivery to a person in this state.

**OTHER SALES.** Gross receipts from transactions other than sales of tangible personal property are attributable to West Virginia if (1) the income producing activity which gives rise to the receipts is performed entirely in West Virginia; (2) the income producing activity is performed both in and outside West Virginia and a greater portion of the income producing activity is performed in this state than in any other state, based on cost of performance; or (3) if the sale constitutes business income to the taxpayer, or the taxpayer is a financial organization subject to the special apportionment rules. Refer to West Virginia Code §11-24-7 for a discussion of income producing activity and cost of performance.

Gross receipts from the sale, lease, rental, or licensing of real property are in West Virginia if the real property is located in this state. Gross receipts from the rental, lease or licensing of tangible personal property are in West Virginia if the property is located in this state. If such property is both within and without West Virginia during the rental, lease or licensing period, gross receipts attributable to West Virginia shall be determined based upon the total time within the state during the taxable year. Gross receipts for the performance of personal services are in West Virginia if such services are performed in this state.

Determine the sales factor by entering the appropriate amount on line 3. Enter West Virginia sales in column 1 and sales everywhere in column 2.

**Line 3** column 2. **TOTAL SALES.** This amount when added to the total gross nonbusiness income as shown on Schedule A1, CNF-120APT, column 1, must equal the sum of your items of gross income as reported on your federal income tax return. Any differences must be noted and explained in an attachment to your return.

\$ _____	Sum of gross income items on federal return
\$ _____	Less total allocated income (Schedule A, column 1)
\$ _____	Equals line 3, column 2, Schedule B.

**Line 4** Enter the total gross receipts from sales of tangible personal property delivered or shipped to a purchaser within a state in which you are not taxed (e.g. Public Law 86-272). This is the throw out rule per WV Code §11-24-7(e)(11)(B) and §11-23-5(i)(2).

**Line 5** In column 1, enter the amount from line 3. In Column 2, subtract line 4 from line 3 and enter the difference. Divide column 1, line 5 by column 2, line 5 and enter the result in column 3, line 5. State the result as a decimal and round to six (6) places after the decimal.

**Line 6** Enter line 5 again.

**Line 7** Add column 3, lines 1, 2, 5, and 6 and enter the sum in column 3.

**Line 8** Divide the six (6) digit decimal from column 3, line 7 by the number 4, reduced by the number of factors, if any, showing zero in column 2, lines 1, 2, 5, and 6. Enter the six (6) digit decimal fraction from line 8 on Schedule A line 11 of Form CNF-120 and Line 12 of Form CNF-120.

## MOTOR CARRIERS – SPECIAL SINGLE FACTOR FORMULA

**Part 2 – Vehicle Miles.** Motor carriers of property or passengers are subject to special apportionment rules. Motor carriers must apportion their business income by using a single factor formula of vehicle miles.

**The special apportionment formula for motor carriers is to be used for the Corporation Net Income Tax ONLY! The special rules DO NOT apply to the West Virginia Business Franchise Tax.**

A motor carrier is any person engaged in the transportation of passengers and/or property for compensation by a motor propelled vehicle over roads in West Virginia, whether on a scheduled route or otherwise. The term "vehicle miles" means the operation of a motor carrier over a distance of one mile.

The special apportionment formula for motor carriers does not apply if (A) the motor carrier neither owns nor rents any real or tangible personal property located in this state, has made no pick ups or deliveries within this state, and has traveled less than 50,000 miles in this state during the taxable year; or (B) the motor carrier neither owns nor rents any real or tangible personal property located in West Virginia, except vehicles, and made no more than 12 trips into or through this state during the taxable year. Under either (A) or (B), the mileage traveled in West Virginia may not be more than 5 percent (.05) of the total vehicle miles traveled in all states during the taxable year.



Determine the apportionment factor by entering the appropriate vehicle miles for West Virginia in column 1 and vehicle miles everywhere in column 2.

Divide column 1 by column 2 and enter in column 3. State the result as a decimal fraction and round to six places after the decimal. Enter the six (6) digit decimal fraction from column 3 on line 12 of Form CNF-120.

## FINANCIAL ORGANIZATIONS — SPECIAL FACTOR FORMULA

**Part 3 – Gross Receipts.** Financial organizations subject to apportionment must apportion their business income by using a single factor gross receipts formula. This special apportionment rule applies to both the West Virginia Corporation Net Income Tax and Business Franchise Tax.

A financial organization is any holding company or regulated financial corporation or subsidiary thereof, or any corporation deriving more than 50% of its gross receipts from one or more of the following:

1. Making, acquiring, selling, or servicing loans or extensions of credit.
2. Leasing or acting as an agent, broker, or advisor in connection with leasing real and personal property that is the economic equivalent of an extension of credit.
3. Operating a credit card business.
4. Rendering estate or trust services.
5. Receiving, maintaining or otherwise handling deposits.
6. Engaging in any other activity with an economic effect comparable to any of the above.

Financial organizations regularly engaging in business in West Virginia shall apportion their capital and business income by means of a single factor gross receipts apportionment formula. A financial organization not having its commercial domicile in West Virginia is presumed to be regularly engaging in business in West Virginia if during any year it obtains or solicits business with 20 or more persons within West Virginia, or the sum of its gross receipts attributable to sources in West Virginia equals or exceeds \$100,000.00.

Gross receipts from the following ownership interest (and certain related activities) will not be considered in determining whether a financial organization is subject to taxation:

1. An interest in a real estate mortgage investment conduit, a real estate investment or a regulated investment company.
2. An interest in a loan backed security representing ownership or participation in a pool of promissory notes or certificates or interest that provide for payments in relation to payments or reasonable projections of payments on the notes or certificates.
3. An interest in a loan or other asset from which the interest is attributed to a consumer loan, a commercial loan or a secured commercial loan, and in which the payment obligation was solicited and entered into by a person that is independent and not acting on behalf of the owner; or an interest in the right to service or collect income from such a loan or asset.
4. An amount held in an escrow or trust account with respect to property described above.

If a financial organization is subject to taxation when gross receipts from these interests are not considered, such receipts must then be included when determining the amount of taxes owed.

Neither the numerator nor the denominator of the gross receipts factor should include gross receipts from obligations and certain loans on which you claim the special allowance in Schedule B-1 of Form CNF-120.

## CNF-120U

Use this form for both the West Virginia Corporation Net Income Tax and Business Franchise Tax to determine if you are subject to the penalty for underpayment of estimated tax and, if so, the amount of the penalty.

**WHO MUST PAY THE PENALTY.** A corporation is required to file a Declaration of Estimated Corporation Net Income Tax and make estimated tax payments if its West Virginia taxable income can reasonably be expected to exceed \$10,000.00, which equals a tax liability after tax credits of more than \$850.00 (Code §11-24-16). Estimated tax is a corporation's expected income tax liability minus its tax credits. A taxpayer is required to remit, in equal installments on the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup>, and 12<sup>th</sup> months of their taxable year, at least ninety percent (.9) of the tax due for the filing period.

Corporations subject to the West Virginia Business Franchise Tax are required to file a Declaration of Estimated Business Franchise Tax and make estimated tax payments if their liability for tax for the taxable year can reasonably be expected to exceed \$12,000.00 (Code §11-23-13). Estimated tax is the amount the taxpayer estimates to be their liability, minus allowable tax credits. A taxpayer is required to remit, in equal installments on the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup>, and 12<sup>th</sup> months of their taxable year, at least ninety percent (.9) of the tax liability.

If a corporation did not pay enough estimated tax by the due dates, it may be charged the penalty. This is true even if the corporation is due a refund when its return is filed. The penalty is figured separately for each installment due date. Therefore, the corporation may owe the penalty for an earlier installment due date, even if it paid enough tax later to make up the underpayment.

## PART I

### ALL FILERS MUST COMPLETE THIS PART

**1** Enter your Business Franchise Tax after credits (line 5 of Form CNF-120). If this amount is less than \$12,000.00, skip lines 2 and 3 and enter 0 on line 4.

**2** Multiply the amount on line 1 by 90% and enter the result. This is the amount that you should have paid in estimated tax for this taxable year.

**3** Enter the Business Franchise Tax after credits from your 2010 return.

**4** Enter the smaller of line 2 or line 3. This is the amount you should have paid in estimated tax for this taxable year.

**5** Enter your Corporation Net Income Tax after credits (line 21 of Form CNF-120). If this amount is less than \$850.00, skip lines 6 and 7 and enter 0 on line 8.

**6** Multiply the amount on line 5 by ninety percent (.9) and enter the result here. This is the amount you should have paid in estimated tax for this taxable year.

**7** Enter the Corporation Net Income Tax from your 2010 return.

**8** Enter the smaller of line 6 or line 7. This is the amount you should have paid in estimated tax for this taxable year.

**9** Add lines 4 and 8. This is the combined estimated Business Franchise Tax and Corporation Net Income Tax that should have been paid.

**DETERMINE YOUR PENALTY BY COMPLETING PART II, III, AND IV.**



## PART II

### ANNUALIZED INSTALLMENT WORKSHEET

If your taxable income/capital varied during the year, you may be able to lower or eliminate the amount of one or more required installments by using the annualized installment worksheet. To use the annualized installment method to figure the penalty, you must complete Part I, Part II, Part III, and Part IV of Form CNF-120U. Follow the line by line instructions entered on Form CNF-120U.

## PART III

### CALCULATE THE UNDERPAYMENT

**LE 44** In column A, enter the estimated tax payments deposited by the 15<sup>th</sup> day of the 4<sup>th</sup> month of your tax year. In column B, enter payments made after the 15<sup>th</sup> day of the 4<sup>th</sup> month through the 15<sup>th</sup> day of the 6<sup>th</sup> month of your tax year. In column C, enter payments made after the 15<sup>th</sup> day of the 6<sup>th</sup> month through the 15<sup>th</sup> day of the 9<sup>th</sup> month of your tax year. In column D, enter payments made after the 15<sup>th</sup> day of the 9<sup>th</sup> month through the 15<sup>th</sup> day of the 12<sup>th</sup> month of the tax year.

**LE 50** If any of the columns in line 50 shows an underpayment, complete Part IV to figure the penalty for that period.

## PART IV

### CALCULATE THE PENALTY

Complete lines 52 through 63 to determine the amount of the penalty. The penalty is figured for the period of underpayment determined under West Virginia Code §11-10-18a using the rate of interest determined under West Virginia Code §11-10-17 or 17a, whichever is appropriate for the taxable year. For underpayments involving periods after January 1, 2012, see the instructions for lines 60 and 61.

**LE 52** Enter the date on which the installment payment was made or the original due date of the annual return, whichever is earlier. The due date of the return is the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the close of the taxable year for corporations. The due date of the annual return of an exempt organization with unrelated business taxable income is the 15<sup>th</sup> day of the 5<sup>th</sup> month following the close of the taxable year. The payment of estimated tax is applied against underpayments of required installments in the order that installments are required to be paid, regardless of which installment the payment pertains to.

For example, a corporation has an underpayment for the April 15<sup>th</sup> installment of \$1,000. The June 15<sup>th</sup> installment requires a payment of \$2,500. On June 10<sup>th</sup>, the corporation deposits \$2,500 to cover the June 15<sup>th</sup> installment. \$1,000 of this payment is considered to be for the April 15<sup>th</sup> installment. The penalty for April 15<sup>th</sup> installment is figured to June 10<sup>th</sup> (56 days). The payment to be applied to the June 15<sup>th</sup> installment will then be \$1,500.

If you made more than one payment for a required installment, attach a separate computation for each payment.

**LE 60 & 61** For underpayments involving periods after January 1, 2011, use the interest rate established by the State Tax Commissioner. You can contact the West Virginia State Tax Department, Taxpayer Services Division, at (304) 344-2068 or toll free within West Virginia 1-800-422-2075 to get rate information. Request message #510.

**LE 63** If you have completed this form to determine your penalty for underpaying your estimated Corporation Net Income and/or Business Franchise Tax, enter

the amount on Form CNF-120, line 35.

## COMBINED REPORTING

### COMBINED CORPORATION NET INCOME AND BUSINESS FRANCHISE TAX REPORTING REQUIRED (§11-24-13a(j)).

For tax years beginning on or after January 1, 2009, any taxpayer engaged in a unitary business with one or more other corporations shall file a combined report which includes the income, allocation, and apportionment of income of all corporations that are members of the unitary business. Notwithstanding any provision to the contrary in this article, the income of an insurance company, the allocation or apportionment related thereto and the apportionment factors of an insurance company shall not be included in a combined report filed under this article unless specifically required to be included by the Tax Commissioner.

### NET OPERATING LOSS (NOL) CARRYOVERS EARNED DURING A YEAR IN WHICH THE TAXPAYER FILED A CONSOLIDATED TAX RETURN (§11-24-13c).

West Virginia computes net operating losses on a post-apportionment basis, including business and nonbusiness income adjustments. NOL's can only be carried forward (or backwards) to be applied against West Virginia source income of the combined group members to which it is attributable. NOL's cannot be used by other members of the combined group. There is an exception for NOL's earned when the taxpayer was filing on a consolidated basis. Those NOL's can be carried over and applied against the income of any former member of the consolidated (controlled) group.

**WATER'S-EDGE REPORTING.** Water's-Edge Reporting is mandated absent an affirmative election to report based upon a worldwide unitary combined report. Members of the Water's-Edge Reporting group include:

1. Any unitary member incorporated in the United States or formed under the laws of any state, the District of Columbia or any territory or possession of the United States;
2. Any unitary member whose average property, payroll and sales factors within the United States is twenty percent or more;
3. Any unitary member which is a domestic international sales corporation, a foreign sales corporation, or an export trade corporation as defined by federal law;
4. Any unitary member with effectively connected income with the conduct of a trade or business within the United States to the extent of that effectively connected income;
5. Any unitary member that is a "controlled foreign corporation", to the extent of the members' Subpart F income, unless that income is subject to an effective rate of tax that is greater than ninety percent of the maximum federal rate;
6. Any unitary member that earns more than twenty percent of its income from intangible property or service-related activities that are deductible against the business income of other members of the water's-edge group; and
7. Any unitary member doing business in a tax haven.

## GENERAL INFORMATION

**What is the purpose of the UB Schedules?** The purpose of the UB Schedules is to enable a unitary business group to determine the amount of its unitary business income that is attributable to West Virginia. A unitary business group's business income includes all income that may be apportioned by formula among the states in which the group is doing business without violating the Constitution of the United States.

**What is a unitary business group?** The term "unitary business group" means a group of persons related through



common ownership whose business activities are integrated with, dependent upon, and contribute to each other. In the case of a corporation, common ownership is defined as the direct or indirect ownership or control of more than fifty percent (.5) of the outstanding voting stock. For further instructions see WV Code 11-24-13f (a) waters-edge reporting-subdivision (1) through (7).

**What are the filing requirements?** Corporations that are members of the same unitary business group must file a combined report including all required information of every business engaging in the unitary business with the corporation. This report must be filed with each member's separate return unless the group elects to designate a corporation as surety and file a combined return.

## SPECIFIC INSTRUCTIONS

**Schedule UB-4CR Combined Report.** The UB-4CR is required when filing either a Separate Combined return or a Group Combined return. The purpose of the Schedule UB-4CR Combined Report is to provide a standardized method of reporting the separate business income of multiple companies within a unitary group onto one statement. The business income is reported and apportioned for each company as if it were filed separately. The income for all companies is then combined, after eliminations, to allow the business income of the unitary group to be filed on one CNF-120 when surety is designated and the filing method is Group Combined. If the filing method is Separate Combined, only the combined apportionment factor is used on the CNF-120.

The Schedule UB-4CR is a Microsoft Excel spreadsheet and consists of a tab for entering **Business Franchise Tax** data and a tab for entering **Corporate Net Income Tax** data. Each tab is capable of holding data for up to two-hundred fifty (250) separate companies. Should the number of separate companies in the unitary group exceed 250, a second UB-4CR can be filed. Specific line instructions are contained on the schedule under the tab labeled **Instructions**.

The UB-4CR is formatted to Tax Department specifications in a common Microsoft Excel 97-2003 format for consistency. The UB-4CR MUST be used when filing a combined report and/or combined return and MUST be delivered to the Tax Department by e-mail as an attachment through a dedicated mailbox at [taxcit@wv.gov](mailto:taxcit@wv.gov) to avoid unnecessary delays in processing the CNF-120.

The Schedule UB-4CR is located on the Tax Department website at [www.wvtax.gov](http://www.wvtax.gov).

**Schedule UB-1.** List all members of the unitary business group including group number (1-3), name, FEIN, year ending, and total payments and prior year credits. Make copies of the blank Schedule UB-1 as needed. The following list defines what the group numbers are:

Group 1 – Regular entities

Group 2 – Motor carriers

Group 3 – Financial organizations

**Schedule UB-2.** For most filers, the unitary business structure will be in one of the following groups: Regular Entities, Motor Carriers or Financial Organizations. Therefore the column entries from the Combined column of the Business Franchise Tax tab of Schedule UB-4CR will be what is transferred to the appropriate group column on the Schedule UB-2.

In some circumstances, a unitary combined group will have members from multiple groups. In this case, you will need to carve out and sub-total the entries from the different groups onto the corresponding columns on Schedule UB-2. The totals for each group will then be re-combined on line 22 of Schedule UB-2.

## DOLLAR AMOUNT OF COMMON AND PREFERRED STOCK

**Line 1** Beginning balance from line 1 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 2** Ending balance from line 2 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 3** Average from line 3 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

### PAID IN CAPITAL SURPLUS

**Line 4** Beginning balance from line 4 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 5** Ending balance from line 5 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 6** Average from line 6 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

### RETAINED EARNINGS-APPROPRIATED AND UNAPPROPRIATED

**Line 7** Beginning balance from line 7 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 8** Ending balance from line 8 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 9** Average from line 9 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

### ADJUSTMENTS TO SHAREHOLDERS EQUITY

**Line 10** Beginning balance from line 10 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 11** Ending balance from line 11 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 12** Average from line 12 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 13** Add lines 3, 6, 9, and 12 for each group.

**Line 14** Less cost of Treasury Stock (average) from line 14 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 15** Capital – Subtract line 14 from line 13 for each group.

**Line 16** Multiplier for obligations/investments allowance (round to six [6] decimal places) from line 16 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 17** Obligations/investments allowance – line 15 multiplied by line 16 for each group.

**Line 18** Adjusted Capital – subtract line 17 from line 15 for each group.

**Line 19** Enter the amount from line 19 of the combined column of the Business Franchise Tax tab of Schedule UB-4CR for each group.

**Line 20** Apportionment factor (round to six [6] decimal places) from line 20 of the Business Franchise Tax Tab of Schedule UB-4CR for each group.

**Line 21** Taxable Capital – line 18 multiplied by line 20 for each group.

**Line 22** Combined Total Taxable Capital (add line 21 from groups 1 through 3). Enter amount here and on line 1 of Form CNF-120.

**Schedule UB-3.** For most filers, the unitary business structure will be in one of the following groups: Regular Entities, Motor Carriers or Financial Organizations. Therefore the column



entries from the Combined column of the Corporate Net Income Tax tab of Schedule UB-4CR will be what is transferred to the appropriate group column on the Schedule UB-3.

In some circumstances, a unitary combined group will have members from multiple groups. In this case, you will need to carve out and sub-total the entries from the different groups onto the corresponding columns on Schedule UB-3. The totals for each group will then be re-combined on line 18 of Schedule UB-3. The Corporate Net Income Tax tab on Schedule UB-4CR should be completed prior to completing Schedule UB-3.

#### INCREASING ADJUSTMENTS TO FEDERAL TAXABLE INCOME

**Line 1** Enter total taxable income from line 1 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2a** Enter exempt interest or dividends not exempt from state tax from line 2a of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2b** US Obligation interest/dividends not exempt from state tax from line 2b of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2c** Income/other tax based upon net income from line 2c of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2d** Federal depreciation/amortization for wholly WV corporation water/air pollution control facilities from line 2d of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2e** Unrelated business taxable income of a corporation exempt from federal tax (IRC Sec. 512) from line 2e of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2f** Federal net operating loss from line 2f of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2g** West Virginia Neighborhood Investment Program Tax Credit (charitable contributions to NIPA) from line 2g of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group..

**Line 2h** Net operating loss from sources outside US from line 2h of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2i** Foreign Taxes deducted on your federal return from line 2i of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2j** Enter Qualified Production Activity Deduction taken under IRC §199 from line 2j of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 2k** Add back for expenses related to certain REIT's and Regulated Investment Companies and certain interest and intangible expenses (WV Code §11-24-4b) from line 2k of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group..

**Line 3** Total increasing adjustments – add lines 2a through 2k for each group.

#### DECREASING ADJUSTMENTS TO FEDERAL TAXABLE INCOME

**Line 4a** Refund/credit on taxes based upon net income included in federal taxable income from line 4a of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4b** Interest expense on obligations/securities not allowed in determining federal taxable income from line 4b of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4c** Salary expense not allowed on federal return due to claiming federal jobs credit from line 4c of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4d** Foreign dividend gross-up (IRC Sec. 78) from line 4d of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4e** Subpart F income (IRC Sec. 951) from line 4e of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4f** Taxable income from sources outside US from line 4f of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group..

**Line 4g** Cost of wholly WV water/air pollution control facilities from line 4g of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4h** Federal taxable income employer contributions to medical savings accounts withdrawn for non-medical purposes from line 4h of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 4i** Allowance for obligations/investments from line 4i of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 5** Total decreasing adjustments – add lines 4a through 4i for each group.

**Line 6** Adjusted Taxable Income – add lines 1 and 3, and subtract line 5 for each group.

**Line 7** Total non-business income allocated everywhere from line 7 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 8** Total non-unitary business income from line 8 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 9** Income subject to apportionment – subtract lines 7 and 8 from line 6 for each group.

**Line 10** Enter the amount from line 9 of the Combined column on Schedule UB-4CR.

**Line 11** WV apportionment factor (round to six [6] decimal places) from line 11 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 12** WV apportioned income – line 10 multiplied by line 11 for each group.

**Line 13** Non business income allocated to WV from line 13 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 14** Non-unitary business income apportioned to WV from line 14 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 15** WV taxable income-add lines 12, 13, and 14 for each group.

**Line 16** WV net operating loss from line 16 of the Corporate Net Income Tax Tab of Schedule UB-4CR for each group.

**Line 17** WV net taxable income – subtract line 16 from line 15 for each group.



**Line 13** Combined total WV net taxable income (add lines 17, groups 1 through 3). Enter total here and on line 17 of Form CNF-120.

## SCHEDULE UB-4APT Allocation and Apportionment FOR MULTISTATE CORPORATIONS

### SCHEDULE A1 & A2 – ALLOCATION OF NONBUSINESS INCOME

If your business activities take place both within and without West Virginia and you are also taxable in another state, certain items of nonbusiness income that are included in federal taxable income are directly allocated. All other income must be apportioned.

Business income arises from transactions and activities in the regular course of the corporation's trade or business, and include income from tangible and intangible property if the acquisition, management or disposition of the property constitutes integral parts of the corporation's trade or business.

Nonbusiness income includes all income that is not properly classified as business income less all expenses attributable to the production of this income. Nonbusiness income is allocated to West Virginia if (1) the corporation's commercial domicile, the principal place from which the trade or business is managed is located in West Virginia; or (2) property creating the nonbusiness income is utilized in West Virginia. Nonbusiness income from real property is allocated to West Virginia if the corporation's commercial domicile is located in West Virginia, or, in the case of patents or copyrights, if they are used in West Virginia.

For a detailed discussion of allocation of nonbusiness income, you may request a copy of Publication TSD-392, "Corporation Net Income Tax Nonbusiness Income", by contacting our Taxpayer Services Division.

Determine nonbusiness income allocated to West Virginia and outside West Virginia by completing Schedule A1 and A2 of Schedule UB-4APT. Only those types of nonbusiness income listed on Schedule A1 and A2 of Schedule UB-4APT can be allocated. Any other types of income that the corporation classifies as nonbusiness must be apportioned.

**Line 8** Enter the amount from column 3, line 8 of Schedule A1 on line 7 of the Corporate Net Income Tax Tab of the Schedule UB-4CR.

**Line 12** Enter the amount from column 3, line 12 of Schedule A2 on line 13 of the Corporate Net Income Tax Tab of the Schedule UB-4CR.

### SCHEDULE B1\* & B2\*\* – APPORTIONMENT FORMULA

If your business activities take place both within and without West Virginia and you are also taxable in another state, all net income, after deducting those items of nonbusiness income allocated on Schedules A1 & A2 of UB-4APT must be apportioned to West Virginia by using the appropriate apportionment formula. **Completion of Schedules B1 and B2 is required even if apportionment is zero.**

\* Schedule B1 is for unitary business income apportionment formula.  
\*\* Schedule B2 is for non-unitary business income apportionment formula.

**Special apportionment formulas apply to motor carriers and to financial organizations.** If you are filing for a financial organization, follow the apportionment instructions for Schedules B1 and B2 of UB-4APT, Part 3. If you are filing for a motor carrier, follow the apportionment instructions for Schedules B1 and B2, of Schedule UB-4APT, Parts 1 and 2.

Multistate corporations will use the standard apportionment formula of payroll, property, and sales, with the sales factor double weighted, and will complete Schedule B1 and B2 of Schedule UB-4APT Parts 1 through 3 as applicable.

**Petitioning for an alternate method of apportionment.** To use an alternate method of allocation and apportionment, you must petition the Tax Commissioner to use some other basis to determine your taxable net income. Your petition for an alternate method must be filed no later than the normal due date of your return.

You must have written permission to use an alternate apportionment method before filing your return. Permission will only be granted if you can show that the statutory formula does not properly reflect your taxable income, and if the alternate method properly and fairly shows your West Virginia taxable income.

Your petition should include your name and address, state of incorporation and principle place of business, a description of the kind(s) of business in which you are engaged, a detailed statement of how sales are made in West Virginia, a computation of your West Virginia taxable income using the statutory apportionment formula and using your proposed alternate formula, and a summary of the facts that support your position.

Send your petition to West Virginia State Tax Department, Tax Account Administration Division, Corporate & Franchise Tax Unit, PO Box 1202, Charleston, WV 25324-1202.

### MULTISTATE CORPORATIONS – FOUR FACTOR FORMULA

To determine your West Virginia apportionment percentage, first determine the following factors:

**Property Factor.** Property includes all real and tangible personal property owned or rented and used during the taxable year to produce business income. Property used in connection with the items of nonbusiness income allocated in Schedule A1 and A2 of Schedule UB-4APT shall be excluded from the factor.

Property must be included in the property factor if it is actually used or is available for or capable of being used during the taxable year. Property held as reserves, standby facilities or reserve sources of materials must be included. Property or equipment under construction (except goods in process that can be inventoried) must be excluded until it is actually used to generate business income. Movable property, such as tools, construction equipment and trucks, used both within and without West Virginia, shall be included in the numerator of the fraction on the basis of total time within the state during the taxable year.

Property owned is valued at original cost. Property rented is valued at eight times the net annual rental rate. Leasehold improvements are considered property owned and are included at their original cost. Generally, original cost is the basis of the property for federal income tax purposes at the time of acquisition and adjusted by subsequent capital additions of improvements and partial dispositions by reason of sale, exchange, abandonment, etc. As a general rule, property is included in the factor by averaging its value at the beginning and ending of the taxable period. The Tax Commissioner may require or allow averaging by monthly values if such a method is required to properly reflect the average value of the taxpayer's property for the taxable year.



**1** Divide column 1 by column 2 and enter result in column 3. State the result as a decimal and round to six (6) places after the decimal.

**Payroll Factor.** The payroll factor shall include the amount of compensation paid to employees during the taxable year. The total amount paid is determined upon the basis of the taxpayer's accounting method for federal income tax purposes. If you have adopted the accrual method of accounting for federal purposes, all compensation shall be deemed to have been paid. Compensation may be included in the payroll factor by use of the cash basis only if you have permission from the Tax Commissioner for an alternate method of apportionment. Compensation means wages, salaries, commissions, and other forms of remuneration paid to employees for personal services. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. **Only amounts paid directly to employees are included in the payroll factor.** Do not include compensation paid to employees engaged exclusively in an activity that generates nonbusiness income that you allocated in Schedule A1 and A2 of Schedule UB-4APT.

**The denominator** of the payroll factor is the total compensation paid by the taxpayer during the taxable year, as shown on the federal income tax return filed with the Internal Revenue Service and as reflected in the schedule of wages and salaries and that portion of the cost of goods sold which reflect compensation.

**The numerator** of the payroll factor is the total amount paid in this state during the taxable year by the taxpayer for compensation. Compensation is paid in this state if any of the following tests, applied consecutively, are met:

- A. The employee's service is performed entirely within this state;
- B. The employee's service is performed both within and without this state, but the service performed without this state is "incidental" to the employee's service within this state (the word incidental means any service which is temporary or transitory in nature or which is rendered in connection with an isolated transaction);
- C. If the employee's services are performed both within and without this state, the employee's compensation will be attributed to this state:
  - a. if the employee's base of operations is in this state;
  - b. if there is no base of operations in any state in which part of the service is performed, but the place from which the service is directed or controlled is in this state; or
  - c. if the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the employee's residence is in this state. Base of operation is the place from which the employee starts their work and to which they customarily return in order to receive instructions or communications from customers or others, or to replenish stock or other materials, repair equipment, or perform any other functions necessary to the exercise of their trade or profession at some other point or points.

Determine the payroll factor by entering the appropriate amounts on line 2. Enter West Virginia payroll in column 1 and payroll everywhere in column 2.

**2** Divide column 1 by column 2 and enter the result in column 3. Round to six (6) places after the decimal.

**Sales factor.** The term "sales" means all gross receipts of the taxpayer that are business income. The sales factor includes all gross receipts derived from transactions and activity in the regular course of your trade or business, less returns and allowances. Do not include interest or dividends from obligations of the

United States government, which are exempt from taxation in West Virginia, or gross receipts from an activity that produced nonbusiness income that you allocated in Schedule A1 and A2 of Schedule UB-4APT.

**The denominator (column 2)** of the sales factor includes all gross receipts derived from transactions and activity in the regular course of your trade or business that was reflected in your gross income reported and as appearing on your federal income tax return unless otherwise excluded. Sales of tangible personal property delivered or shipped to a purchaser within a state in which you are not taxed (e.g. under Public Law 86-272) are to be excluded from the denominator.

**The numerator (column 1)** of the sales factor includes all gross receipts attributable to West Virginia and derived from transactions and activity in the regular course of your trade or business. All interest income, service charges or time-price differential charges incidental to such gross receipts must be included regardless of the place where the accounting records are maintained or the location of the contract or other evidence of indebtedness.

**SALES OF TANGIBLE PERSONAL PROPERTY.** Gross receipts from sales of tangible personal property are in West Virginia (1) if the property is received in West Virginia by the purchaser (except sales to the United States government) regardless of the F.O.B. point or other conditions of sales; or (2) if the property is shipped from an office, store, warehouse, factory, or other place of storage in West Virginia and the purchaser is the United States government.

Sales within West Virginia are generally determined on a destination basis. If the purchaser picks up or otherwise receives the property in West Virginia, the sale is treated as taking place in this state. If the property is delivered by common carrier or other means of transportation, the place at which the property is received after all transportation is completed is the place where the sale took place. Direct delivery in West Virginia, other than for purposes of transportation, to a person or firm designated by a purchaser, constitutes delivery to the purchaser in West Virginia regardless of where the title passes or other conditions of sale. Direct delivery outside West Virginia, to a person or firm designated by a purchaser, does not constitute delivery to a person in this state.

**OTHER SALES.** Gross receipts from transactions other than sales of tangible personal property are attributable to West Virginia if (1) the income producing activity which gives rise to the receipts is performed entirely in West Virginia; (2) the income producing activity is performed both in and outside West Virginia and a greater portion of the income producing activity is performed in this state than in any other state, based on cost of performance; or (3) if the sale constitutes business income to the taxpayer, or the taxpayer is a financial organization subject to the special apportionment rules. Refer to West Virginia Code §11-24-7 for a discussion of income producing activity and cost of performance.

Gross receipts from the sale, lease, rental, or licensing of real property are in West Virginia if the real property is located in this state. Gross receipts from the rental, lease or licensing of tangible personal property are in West Virginia if the property is located in this state. If such property is both within and without West Virginia during the rental, lease or licensing period, gross receipts attributable to West Virginia shall be determined based upon the total time within the state during the taxable year. Gross receipts for the performance of personal services are in West Virginia if such services are performed in this state.

Determine the sales factor by entering the appropriate amount on line 3. Enter West Virginia sales in column 1 and sales everywhere in column 2.

**3** column 2. TOTAL SALES. This amount when added to the total gross nonbusiness income as



shown on Schedule A1 of Schedule UB-4APT, column 1, must equal the sum of your items of gross income as reported on your federal income tax return. Any differences must be noted and explained in an attachment to your return.

\$ _____	Sum of gross income items on federal return
\$ _____	Less total allocated income (Schedule A1 of Schedule UB-4APT, column 1)
\$ _____	Equals line 3, column 2, Schedule B1 of Schedule UB-4APT.

**4** Enter the total gross receipts from sales of tangible personal property delivered or shipped to a purchaser within a state in which you are not taxed (e.g. Public Law 86-272). This is the throw out rule per WV Code §11-24-7(e)(11)(B) and §11-23-5(i)(2).

**5** In column 1, enter the amount from line 3. In Column 2, subtract line 4 from line 3 and enter the difference. Divide column 1, line 5 by column 2, line 5 and enter the result in column 3, line 5. State the result as a decimal and round to six (6) places after the decimal.

**6** Enter line 5 again.

**7** Add column 3, lines 1, 2, 5, and 6 and enter the sum in column 3.

**8** Divide the six (6) digit decimal from column 3, line 7 by the number 4, reduced by the number of factors, if any, showing zero in column 2, lines 1, 2, 5, or 6. Enter the six (6) digit decimal fraction from line 20 of the Business Franchise Tax Tab of the UB-4CR and line 11 of the Corporate Net Income Tax Tab of the UB-4CR.

## MOTOR CARRIERS – SPECIAL SINGLE FACTOR FORMULA

**Part 2 – Vehicle Miles.** Motor carriers of property or passengers are subject to special apportionment rules. Motor carriers must apportion their business income by using a single factor formula of vehicle miles.

**The special apportionment formula for motor carriers is to be used for the Corporation Net Income Tax ONLY! The special rules DO NOT apply to the West Virginia Business Franchise Tax.**

A motor carrier is any person engaged in the transportation of passengers and/or property for compensation by a motor propelled vehicle over roads in West Virginia, whether on a scheduled route or otherwise. The term "vehicle miles" means the operation of a motor carrier over a distance of one mile.

The special apportionment formula for motor carriers does not apply if (A) the motor carrier neither owns nor rents any real or tangible personal property located in this state, has made no pick ups or deliveries within this state, and has traveled less than 50,000 miles in this state during the taxable year; or (B) the motor carrier neither owns nor rents any real or tangible personal property located in West Virginia, except vehicles, and made no more than 12 trips into or through this state during the taxable year. Under either (A) or (B), the mileage traveled in West Virginia may not be more than 5 percent (.05) of the total vehicle miles traveled in all states during the taxable year.

Determine the apportionment factor by entering the

appropriate vehicle miles for West Virginia in column 1 and vehicle miles everywhere in column 2.

Divide column 1 by column 2 and enter in column 3. State the result as a decimal fraction and round to six places after the decimal. Enter the six (6) digit decimal fraction from column 3 on line 11 of the Corporate Net Income Tax Tab of the UB-4CR.

## FINANCIAL ORGANIZATIONS – SPECIAL FACTOR FORMULA

**Part 3 – Gross Receipts.** Financial organizations subject to apportionment must apportion their business income by using a single factor gross receipts formula. This special apportionment rule applies to both the West Virginia Corporation Net Income Tax and Business Franchise Tax.

A financial organization is any holding company or regulated financial corporation or subsidiary thereof, or any corporation deriving more than 50% of its gross receipts from one or more of the following:

1. Making, acquiring, selling, or servicing loans or extensions of credit.
2. Leasing or acting as an agent, broker, or advisor in connection with leasing real and personal property that is the economic equivalent of an extension of credit.
3. Operating a credit card business.
4. Rendering estate or trust services.
5. Receiving, maintaining or otherwise handling deposits.
6. Engaging in any other activity with an economic effect comparable to any of the above.

Financial organizations regularly engaging in business in West Virginia shall apportion their capital and business income by means of a single factor gross receipts apportionment formula. A financial organization not having its commercial domicile in West Virginia is presumed to be regularly engaging in business in West Virginia if during any year it obtains or solicits business with 20 or more persons within West Virginia, or the sum of its gross receipts attributable to sources in West Virginia equals or exceeds \$100,000.00.

Gross receipts from the following ownership interest (and certain related activities) will not be considered in determining whether a financial organization is subject to taxation:

1. An interest in a real estate mortgage investment conduit, a real estate investment or a regulated investment company.
2. An interest in a loan backed security representing ownership or participation in a pool of promissory notes or certificates or interest that provide for payments in relation to payments or reasonable projections of payments on the notes or certificates.
3. An interest in a loan or other asset from which the interest is attributed to a consumer loan, a commercial loan or a secured commercial loan, and in which the payment obligation(s) were solicited and entered into by a person that is independent and not acting on behalf of the owner; or an interest in the right to service or collect income from such a loan or asset.
4. An amount held in an escrow or trust account with respect to property described above.

If a financial organization is subject to taxation when gross receipts from these interests are not considered, such receipts must then be included when determining the amount of taxes owed.

Neither the numerator nor the denominator of the gross receipts factor should include gross receipts from obligations and certain loans on which you claim the special allowance in Schedule B-1 of Form CNF-120.



# West Virginia State Tax Department

## Request for Tax Credit Schedules

TYPE OF CREDIT	COMPUTATION SCHEDULE	QUANTITY
Aerospace Industrial Facility Investment Credit	Form WV/AIF-1	
Application for Economic Opportunity Tax Credit	Form WV/EOTC-A	
Application for Manufacturing Investment Tax Credit	Form WV/MITC-A	
Application for Strategic Research and Development Credit	Form WV/SRDTC-A	
Apprenticeship Training Tax Credit	Schedule WV/ATTC-1	
Business Investment and Jobs Expansion Credit	Form WV/BCS-1	
Coal Loading Facilities Credit	Schedule C	
Economic Opportunity Tax Credit	Schedule EOTC-1	
Electric and Gas Utilities Rate Reduction Credit	Schedule L	
Environmental Agricultural Equipment Credit	Schedule WV/AG-1	
Financial Organization Goodwill Tax Credit	Schedule WV/FOGW-1	
Financial Organization Transition Tax Credit	Schedule WV/FOTC-1	
High-Growth Business Investment Tax Credit	Schedule WV/HGBITC-1	
Historic Rehabilitated Buildings Investment Tax Credit	Schedule RBIC	
Industrial Expansion/Revitalization Credit	Schedule I	
Manufacturing Investment Tax Credit	Schedule MITC-1	
Manufacturing Property Tax Adjustment Credit	Schedule WV/MPTAC-1	
Research and Development Project Credit	Schedule R & D	
Residential Housing Development Projects Credit	Schedule O	
Strategic Research and Development Credit	Schedule SRDTC-1	
Telephone Utilities Rate Reduction Credit	Schedule K	
Utility Taxpayer Net Operating Loss Carryover Credit	Schedule WV/UNOLC-1	
West Virginia Film Industry Investment Tax Credit	Schedule WV/FIIA-TCS	
West Virginia Military Incentive Credit	Schedule J	
West Virginia Neighborhood Investment Program Tax Credit	Schedule WV/NIPA-2	
Alternative Fuel Tax Credit	Form WV/AFTC-1	
Commercial Patent Incentives Tax Credit	Form WV/CPITC-1	

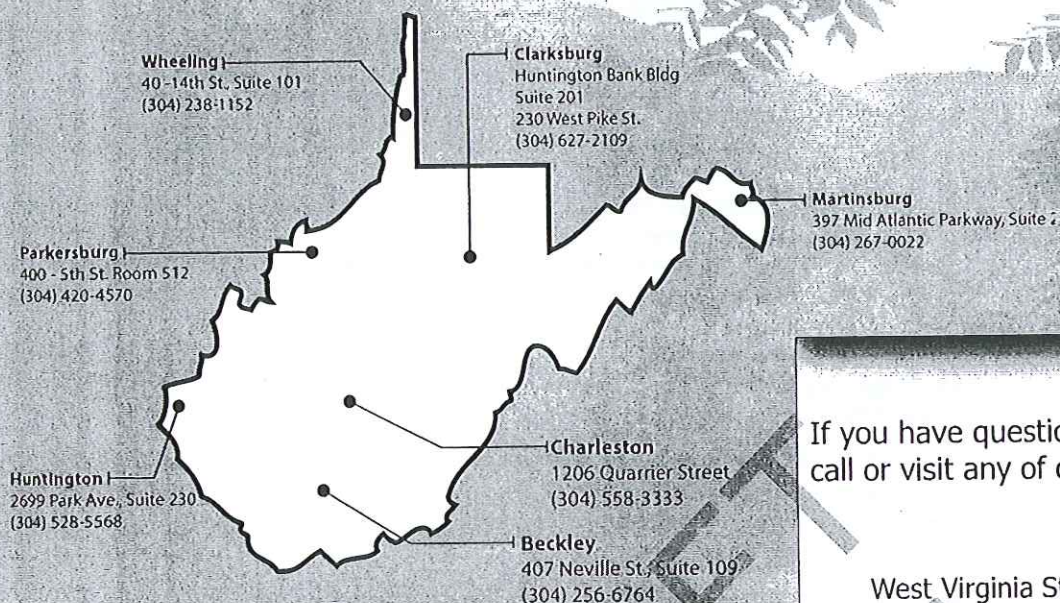
**Additional information for all tax credits may be found on our website at  
[www.wvtax.gov](http://www.wvtax.gov).**

Mail forms to: (please print or type)	
Business Name:	Person Requesting Forms:
Attention:	Telephone Number:
Address:	Signature:
City, State, Zip Code:	Date:

Mail Request to: West Virginia State Tax Department  
Compliance and Taxpayer Services Division  
PO Box 3784  
Charleston, WV 25337-3784



# Free Taxpayer Services



If you have questions or need assistance,  
call or visit any of our offices shown here.

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

## For Toll Free Information

1-800-982-8297

## Toll Free to Order Forms

1-800-422-2075

## TDD for the Hearing Impaired

1-800-282-9833

## Website

[www.wvtax.gov](http://www.wvtax.gov)

West Virginia State Tax Department  
1001 Lee Street East  
Charleston, WV 25301

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State of West Virginia**VENDOR PREFERENCE CERTIFICATE**

Certification and application\* is hereby made for Preference in accordance with **West Virginia Code**, §5A-3-37. (Does not apply to construction contracts). **West Virginia Code**, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code**. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**

- \_\_\_\_ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
- \_\_\_\_ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
- \_\_\_\_ Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,

2. **Application is made for 2.5% resident vendor preference for the reason checked:**

- \_\_\_\_ Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

3. **Application is made for 2.5% resident vendor preference for the reason checked:**

- \_\_\_\_ Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

4. **Application is made for 5% resident vendor preference for the reason checked:**

- \_\_\_\_ Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,

5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

- \_\_\_\_ Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,

6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

- \_\_\_\_ Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (**West Virginia Code**, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

\*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.



RFQ No. TAX12005

STATE OF WEST VIRGINIA  
Purchasing Division

## PURCHASING AFFIDAVIT

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

### DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (**West Virginia Code §61-5-3**), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

### WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: V. G. Reed & Sons

Authorized Signature: [Signature] Date: 10-21-11

State of Kentucky

County of Jefferson, to-wit:

Taken, subscribed, and sworn to before me this 21<sup>st</sup> day of October, 2011.

My Commission expires May 3, 2014.

AFFIX SEAL HERE

NOTARY PUBLIC

[Signature: Tyra L. Williams]