



STATE OF WEST VIRGINIA

Department of Revenue State Tax Department

Joe Manchin III
Governor

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State Tax Commissioner

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West Virginia Tax Changes Occurring on January 1, 2009

Reduced taxes for business

CHARLESTON, W.V.—Governor Joe Manchin III and State Tax Commissioner Christopher G. Morris announced today numerous West Virginia tax changes that will be effective on and after January 1, 2009.

“West Virginia is able to improve tax fairness for Taxpayers in these challenging economic times due to fiscally responsible actions of our state agencies and legislators,” Governor Manchin said.

Tax changes occurring as of January 1, 2009:

- State income tax withholding reporting and remittance provisions for West Virginia businesses will now closely follow the IRS schedule, thereby simplifying the tax filing calendar for West Virginia businesses.
 - Taxpayers must pay by the 15th of each month or may pay the same day employees are paid.
 - All taxpayers must file quarterly returns, unless withholding is \$600 or under.
 - First payment, due to this change, is February 15, 2009.
 - First return will be due April 30, 2009.

- Combined reporting for corporations begins.
- The business franchise tax rate is reduced to 0.48%.
- The corporate net income tax rate is reduced to 8.5%.
- Job creation tax credit under the Economic Opportunity Tax Credit.
 - Any eligible business creating less than 20 new jobs for a regular business and less than 10 new jobs for a qualified small business, can be eligible for a tax credit of \$3,000 per year, for a period of 5 years, for each new job created.
 - To qualify, the new job must be full-time, pay a minimum salary of \$32,000, and offer health benefits.

- The manufacturing investment tax credit offset is increased from 50% to 60% of business franchise tax and corporate net income tax.
- The manufacturing inventory tax credit becomes effective to offset business franchise tax and corporate net income tax in the amount of property tax paid on manufacturing inventory.

“West Virginia has adopted prudent, effective economic development tax incentives designed to make the State a strong competitor, as the home for new and expanded businesses,” Tax Commissioner Morris said.

For additional information on any of these upcoming tax changes visit The Legislative 2008 Summary located on The West Virginia State Tax Department’s web site at www.wvtax.gov.