

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #2

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FILED

JUL 25 1 33 PM '96

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: State Tax Division TITLE NUMBER: 110

RULE TYPE: Interpretive; CITE AUTHORITY W. Va. Code § 11-6D-8(b)

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED:

TITLE OF RULE BEING AMENDED:

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 6D1

TITLE OF RULE BEING PROPOSED: Determining The Earliest Date When The
Alternative-Fuel Motor Vehicle Tax Credit May Apply To Qualified Investment

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON August 26, 1996 AT 5:00 p.m. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

Department of Tax & Revenue
Legal Division
P.O. Box 1005
Charleston, WV 25324-1005

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

James H. Paige III
James H. Paige III
by P.A. Hoffman

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

3-60



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GASTON CAPERTON
GOVERNOR

State of West Virginia
Department of Tax and Revenue

TAX DIVISION

P. O. Box 2389
Charleston, WV 25328-2389

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE
JAMES H. PAIGE III
SECRETARY

CONSENT TO FILE RULE

July 25, 1996

To Whom It May Concern:

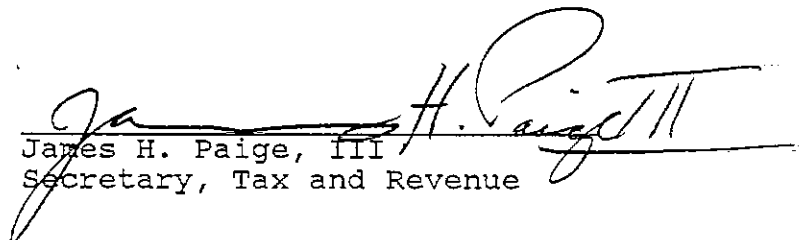
Title of Rule: Determining The Earliest Date When The
Alternative Fuel Motor Vehicle Tax Credit May
Apply To Qualified Investment.

Title Number: 110

Series Number: 6D1

Pursuant to West Virginia Code § 5F-2-2(a), the undersigned hereby consents to the filing of the foregoing rule.

Signed this 25th day of July, 1996.


James H. Paige, III
Secretary, Tax and Revenue

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Determining The Earliest Date When The Alternative-Fuel Motor Vehicle Tax Credit May Apply To Qualified Investment.

Type of Rule: Legislative X Interpretive Procedural

Agency: State Tax Division
 Address: P.O. Box 1005
Charleston, WV 25324-1005

1. Effect of Proposed Rule

	ANNUAL			FISCAL YEAR	
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
<u>ESTIMATED TOTAL COST</u>	\$	\$	\$	\$	\$
PERSONAL SERVICES	0	0	0	0	0
CURRENT EXPENSE	0	0	0	0	0
REPAIRS & ALTERNATIONS	0	0	0	0	0
EQUIPMENT	0	0	0	0	0
OTHER	0	0	0	0	0

2. Explanation of above estimates:

There should be no cost in addition to any included in the legislation requiring this rule.

3. Objectives of these rules:

To explain the earliest time when the tax credit for alternative-fuel motor vehicles may be applied against qualified investment.

Rule Title: Determining The Earliest Date When The Alternative-Fuel Motor Vehicle Tax Credit May Apply To Qualified Investment.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

None.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

Industries using alternative-fuel motor vehicles may be impacted.

C. Economic Impact on Citizens/Public at Large.

Individuals using alternative-fuel motor vehicles may be impacted.

Date: July 25, 1996

Signature of Agency Head or Authorized Representative


James H. Paige III
State Tax Commissioner



State of West Virginia
Department of Tax and Revenue

GASTON CAPERTON
GOVERNOR

TAX DIVISION
P. O. Box 2389
Charleston, WV 25328-2389

JAMES H. PAIGE III
SECRETARY

SUMMARY OF THE RULE

The rule specifies the credit period for fiscal year and calendar year taxpayers.



State of West Virginia
Department of Tax and Revenue

GASTON CAPERTON
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P. O. Box 2389
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SECRETARY

STATEMENT OF CIRCUMSTANCES

Article 6D, Chapter 11 of the West Virginia Code does not specify the earliest date when the Alternative-Fuel Motor Vehicle Tax Credit may be applied to qualified investments. This rule corrects that problem.

PROPOSED
WEST VIRGINIA INTERPRETIVE RULE
DEPARTMENT OF TAX AND REVENUE
STATE TAX DIVISION
TITLE 110
SERIES 6D1

FILED

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

DETERMINING THE EARLIEST DATE WHEN THE ALTERNATIVE-FUEL MOTOR
VEHICLE TAX CREDIT MAY APPLY TO QUALIFIED INVESTMENT

§ 110-6D1-1. General

1.1 **Scope.** - The purpose of this rule is to establish the earliest date for investments which may be applied against the Alternative-Fuel Motor Vehicle Tax Credit authorized by West Virginia Code § 11-6D-1 et seq.

1.2 **Authority.** - West Virginia Code § 11-6D-8(b).

1.3 **Filing Date.** -

1.4 **Effective Date.** -

§ 110-6D1-2. Definitions.

The definitions provided in West Virginia Code § 11-6D-2 are incorporated by reference herein.

§ 110-6D1-3. Ineligibility for credit.

3.1 West Virginia Code § 11-6D-4(c) states that the Alternative-Fuel Motor Vehicle Tax Credit is not available to any taxpayer under an obligation pursuant to any federal or state law, policy or regulation to convert any motor vehicle to the use of alternative fuels.

3.2 The foregoing availability restriction applies to any taxpayer who is subject to such a federal or state mandate at any time during the credit period.

§ 110-6D1-4. Investment period.

4.1 West Virginia Code § 11-6D-3 states that the tax credit is available for those tax years beginning after June 30, 1997. Additionally, West Virginia Code § 11-6D-7 provides that the tax credit expires ten years after the effective date of Article 6D, Chapter 11 of the West Virginia Code with a proviso that investments made in the last one or two years of the credit period may receive the credit increments in the two or one years respectively which immediately succeed the credit period.

4.2 Based upon the foregoing requirements, the credit period for fiscal year taxpayers commences with the tax year that begins on or after July 1, 1997. For calendar year taxpayers, the credit period commences on January 1, 1998. Additionally, the credit period expires on June 5, 2006.