



BUSINESS INVESTMENT AND JOBS EXPANSION CREDIT AND CORPORATE HEADQUARTERS RELOCATION CREDIT (SUPER CREDITS)

The following information, instructions, and forms are not a substitute for tax laws and regulations.

GENERAL INFORMATION

BUSINESS INVESTMENT AND JOBS EXPANSION CREDIT

The Business Investment and Jobs Expansion Credit was enacted in 1985 by the State Legislature. The purpose of the Business Investment and Jobs Expansion Tax Credit is to promote net employment growth within West Virginia. In return for net employment growth (e.g., fifty new jobs) through capital investment, the State provides tax credit to offset the additional taxes directly attributable to the qualified investment and new jobs.

The credit is available to any eligible taxpayer, or group of project participant taxpayers, making a qualified investment in a new or expanded business facility in this State. This investment must also result in new job creation.

The credit is determined by multiplying the amount of the taxpayer's qualified investment by the taxpayer's new jobs percentage and is generally applied over a ten (10) year period (at 1/10th per year) beginning in the taxable year in which the qualified investment is placed in service or use, or, at the taxpayer's option, in the next succeeding tax year.

The Business Investment and Jobs Expansion Credit is generally available for investment placed into service or use over a period of 365 days, beginning on the date when property purchased or leased for business expansion is first placed into service or use. Provisions are available for multiple party projects and multiple year projects, or both as long as project certification has been obtained from the Tax Commissioner.

The Business Investment and Jobs Expansion Tax Credit is claimed against that portion of the following taxes, in the order listed, that are attributable to the qualified investment: Business and Occupation, Telecommunications, Business Franchise, Corporation Net Income, and Personal Income. The credit is applied in four steps (the annual credit allowance, the rebate allowance, the deferred allowance, and a free up allowance for certain taxpayers subject to the minimum coal severance tax) which are explained later.

The credit attributable for one qualified project may not be applied to any tax liability unrelated to that project.

LEGISLATIVE CHANGES

The Super Credit was expanded in 1986 to include certified projects and relocation of corporate headquarters to the State. In 1987, the Small Business Credit was added (see Form WV/BCS-Small for details relating to the Small Business Credit). Additional changes involving credit restrictions and new filing requirements were added in 1990.

- ◆ In 1993 and 1994, the following major revisions were made to restrict the use of the credit:
- ◆ The credit may not be applied against the Consumers Sales and Service Tax and Use Tax for purchases made on or after July 1, 1993.
- ◆ There is a suspension of new credit entitlement for property placed into service or use after April 9, 1993. The suspension does not apply to manufacturing; information processing; warehousing; goods distribution; destination-oriented recreation and tourism; or to qualified investments for which credit applications were filed before April 10, 1993.

- ◆ New language in the law strengthened the Tax Commissioner's authority to use alternate procedures when the payroll fraction for determining tax attributable to qualified investment method does not fairly represent the tax liability directly attributable to the qualified investment.
- ◆ For tax years ending after May 31, 1993, all taxpayers claiming the Business Investment and Jobs Expansion Tax Credit (Super Credit) must now defer 20% of the value of their annual credit until the tenth, eleventh, and twelfth tax years subsequent to the year investment is placed in service or use.
- ◆ Certain taxpayers also may claim an additional amount of credit to "free-up" super credit value lost as a result of the increase in the minimum coal severance tax rate. This free-up credit may be used against Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax.
- ◆ Special recapture tax provisions may apply to taxpayers who place qualified investment into service on or after March 12, 1994.

CERTIFIED PROJECTS

The Business Investment and Jobs Expansion Credit also may be claimed for a project certified by the Tax Commissioner. A project eligible for certification is one in which:

1. the qualified investment creates at least 50 new jobs but such investment is placed in service or use over a period of three successive tax years rather than a period of 365 days or less. The investment is eligible for project certification only if made in accordance with a written business facility development plan, and the investment placed in service or use during the first year would not have been made without the expectation of making the qualified investment placed in service or use during the next two succeeding tax years;
2. the qualified investment is made by one or more persons, but some or all of the new jobs created at each new or expanded business facility are created by one or more other persons. For this type of project, at least 50 new jobs must be created and certified by the Tax Commissioner as new jobs created as a direct result of the qualified investment, and that the investment is made according to a written business facility development plan; or
3. the qualified investment in an integrated project made pursuant to a written business facility development plan is made by one or more persons but some or all of the new jobs are created by one or more other persons and at least 50 of the new jobs are created within a 50 mile radius of each new or expanded business facility. The new jobs must be certified by the Tax Commissioner as new jobs created as a direct result in the investment.

The allowable credit is determined by multiplying the qualified investment by the applicable new jobs percentage and may be claimed by one or more participants in the project. The manner of credit allocation must be specified in the application for certification and is considered binding.

Before any credit may be claimed or approved, a request for certification of a project must be filed with and certified by the Tax Commissioner. Taxpayers **may not** apply credit against a tax liability until certified.

Failure to timely file a request for certification will result in the imposition of interest on the recapture of any erroneous credits claimed.

CORPORATE HEADQUARTERS RELOCATION CREDIT

The Corporate Headquarters Relocation Credit is allowable for corporate headquarters placed in service or use in West Virginia on or after February 1, 1986. An out-of-state corporation relocating its headquarters to West Virginia is allowed a tax credit if it employs at least 15 domiciled West Virginia residents on a full-time basis at its new location.

The adjusted qualified investment is the same as the qualified investment determined for the Business Investment and Jobs Expansion Credit, plus the cost of reasonable and necessary expenses incurred to relocate the corporate headquarters.

The amount of the credit is determined by multiplying the adjusted qualified investment by ten percent. However, if at least 50 jobs are attributable to the relocation or a combination of other qualified investment and the relocation, the regular Business Investment and Jobs Expansion Tax Credit percentages beginning at fifty percent 50% may be used.

APPLICATION FOR CREDIT REQUIRED

Taxpayers placing qualified investment into service or use on or after January 1, 1990 must complete an Application for West Virginia Business Investment and Jobs Expansion Tax Credit (Form WV/BCS-A) with the Tax Commissioner and receive written acknowledgment of such application prior to claiming the credit. The application must be filed annually no later than the due date of the taxpayer's annual income tax return determined without regard to any extension of time for filing such returns. Form WV/BCS-A must be filed on a timely basis before claiming tax credits. Failure to do so will result in forfeiture of 50% of the annual credit allowance utilized until the application is filed.

ELIGIBLE TAXPAYERS

Any taxpayer subject to the West Virginia Business and Occupation Tax, Severance Tax, Telecommunications Tax, Business Franchise Tax, Corporation Net Income Tax, Personal Income Tax, or any combination thereof, who makes qualified investment in a new or expanded business facility located in West Virginia that results in the creation of at least 50 new jobs, potentially qualifies for the above credits. An eligible taxpayer can also include an affiliated group of corporations that file a consolidated West Virginia Corporation Net Income Tax return.

QUALIFIED INVESTMENT PROPERTY

Qualified investment property is property constructed, purchased, leased or transferred into West Virginia and placed in service or use, as a component of a new or expanded business facility located in this State. The amount of the qualified investment is determined by the cost, or other basis, and the useful life of the property.

Critical elements in the determination of qualified investment property for purposes of this credit are how, and from whom, the property is acquired; the acquisition date; date and term of a lease; transfer date; date placed in service or use in this State; as well as the useful life of the property.

For the Business Investment and Jobs Expansion Credit, qualifying investment property acquired and placed in service or use in this State on or after March 1, 1985 may be counted toward the credit.

QUALIFIED INVESTMENT PROPERTY MAY INCLUDE:

1. Natural resources in place, purchased or leased on or after March 1, 1985 but prior to March 10, 1990 capable of sustained production for a period of ten or more years.
2. Real property and improvements thereto, having a useful life of four or more years placed in service or use in West Virginia on or after March 1, 1985.
3. Real property and improvements thereto, or tangible personal property acquired by written lease with a primary term of ten or more years placed in service or use in West Virginia on or after March 1, 1985.
4. Depreciable or amortizable tangible personal property placed in service or use in West Virginia on or after March 1, 1985, with a useful life of four or more years at the time the property is placed in service or use in this State.
5. Tangible personal property acquired by written lease having a primary term of four or more years that was commenced and executed on or after February 1, 1986.
6. Tangible personal property owned or leased, used at a business location outside this State which is moved into this State on or after February 1, 1986. If owned, property must be depreciable or amortizable and have a useful life of four or more years remaining at the time the property is placed in service or use in this State. If leased, the primary term of the lease remaining at the time the property is placed in service or use in West Virginia must be four or more years.

QUALIFIED INVESTMENT PROPERTY MAY NOT INCLUDE:

1. Property owned or leased, for which another tax credit (e.g. for Industrial Expansion and Revitalization, Research and Development Projects; or Coal Loading Facilities) has been taken by the taxpayer, seller, lessor, or other transferor.
2. Repair costs, unless capitalized for federal income tax purposes.
3. Motor vehicles licensed by the West Virginia Department of Motor Vehicles that were purchased or leased prior to February 1, 1986.

4. Airplanes
5. Off-premise transportation equipment purchased or leased prior to February 1, 1986.
6. Property primarily used outside this State.
7. Property acquired incidental to the purchase of the stock or assets of the seller. This restriction can be waived by the Tax Commissioner.
8. Natural resources in place purchased or leased after March 9, 1990 and not subject to a statutory transition rule or prior to March 1, 1985, or pursuant to an option acquired prior to March 1, 1985 but exercised on or after March 10, 1990.
9. Property purchased or leased after March 9, 1990, the cost of which cannot be quantified when such property is placed in service.
10. Property not directly attributable to the qualified investment activity (e.g. recreational boat, vehicle for personal use).

DATE PLACED IN SERVICE OR USE

Property is considered to be placed in service or use in the earlier of:

1. The taxable year in which, under the taxpayer's depreciation practice, the period for depreciation for such property begins; or
2. The taxable year in which the property is placed in a condition or state of readiness and availability for a specifically assigned function.

REQUIRED RECORDS

For each item of qualified property, the taxpayer must maintain records to establish the following:

1. Its identity.
2. Its actual or reasonably determined cost.
3. The month and taxable year in which it was placed in service or use.
4. Its straight line depreciation.
5. The amount of credit taken.
6. The date it was disposed of or otherwise ceased to be qualified property.

Such records must be retained for a period of three years after the last year for which the credit is claimed.

COST OR OTHER BASIS

1. The cost of purchased property may not include the value of property given in trade or exchange for the property purchased.
2. The cost of replacement property may not include any insurance proceeds received in compensation for property damaged or destroyed by fire, flood, storm or other casualty or is stolen. With few exceptions, investment in natural resources in place will not qualify for the credit.
3. To qualify as investment property, natural resources in place must be purchased only during specific time periods or subject to a statutory transition rule, and must be capable of sustained production for a period of at least ten years. The cost for purchased natural resources in place that meet this qualification is 100% of the purchase price that is attributable to at least ten years of production, but not more than 20 years of production.
4. The cost of real property with a written primary lease term of ten or more years is 100% of the rent reserved for the primary term of the lease, not to exceed 20 years.
5. For leased natural resources in place which qualify, capable of ten or more years of sustained production, the cost is 100% of the rent reserved for the primary term of the lease, not to exceed twenty years, or royalties paid

cost is 100% of the rent reserved for the primary term of the lease, not to exceed twenty years, or royalties paid for ten years. Leases of natural resources must have a primary term of at least ten years.

6. The cost of tangible personal property with a written primary lease term of at least four years but less than six years is one third (1/3) of the rent reserved for the primary term of the lease.
7. For tangible personal property with a written primary lease term of at least six years but less than eight years, the cost is two thirds (2/3) of the rent reserved for the primary term of the lease.
8. For tangible personal property with a written lease term of eight or more years, the cost is 100% of the rent reserved for the primary term of the lease, not to exceed 20 years. The rent reserved may not include rent for any year subsequent to the expiration of the book life of the property, determined by use of the straight line method of depreciation.
9. For qualifying property purchased for multiple use the cost must be pro-rated.
10. For self constructed property the cost is the amount properly charged to the capital account for depreciation in accordance with federal income tax law.
11. The cost of property transferred into this State is determined based on remaining useful life of the property at the time it is placed in service or use in this State. The cost is the original cost of the property to the taxpayer less straight line depreciation allowable for tax years, or portions of tax years, the property was used outside West Virginia.
12. For leased tangible personal property transferred into this State, the cost is based on the period remaining in the primary term of the lease after the property is brought into this State for use in a new or expanded business. The cost is the rent reserved for the remaining period of the primary lease term, not to exceed 20 years of the remaining useful life, whichever is less.
13. For leased property placed into service on or after March 10, 1990 for which the cost is not quantifiable at the outset of the lease, only the quantifiable portion, if any, may be aggregated as a qualified investment.
14. The cost of relocating corporate headquarters is the expenses incurred and paid by the corporation to unrelated third parties and which have been certified by the Tax Commissioner to have been both reasonable and necessary to effectuate the move.

JOBS CALCULATION

The new jobs percentage is based on the number of new jobs created in this State that are directly attributable to the qualified investment in a new or expanded business facility. The number of new jobs created by the investment is determined by the net increase in employment by the business (or controlled group of businesses) in West Virginia over a base year level. The base year is the 12 month period immediately preceding the placement of qualified investment into service or use. The hours of qualified part-time employees may be aggregated to determine the number of equivalent full-time employees for the purpose of ascertaining the number of new jobs created.

A "New Job" is one that did not exist in the business of the taxpayer in this State prior to the investment in the new or expanded business facility. This position must be filled by a new employee. The number of new jobs is the net of new jobs created less any jobs lost in any part or segment of the employer's business in West Virginia over the same time period.

A "New Employee" is a West Virginia domiciled resident hired to fill one of the new jobs on a permanent basis. Temporary or seasonal employment does not qualify as a new job. Persons hired on a temporary or seasonal basis do not qualify as new employees.

For regular non-project or regular project Business Investment and Jobs Expansion Credit, an estimation of the expected number of new jobs is made in the first taxable year for which the credit is claimed. In the third tax year the actual number of new jobs created must be certified by the business. Adjustments must be made for the new jobs percentage if the number of new jobs certified varies from the number of new jobs estimated. The allowable credit is then redetermined for prior and future years. Once certified, if the number of new jobs declines in any tax year, resulting in a decreased new jobs percentage, the credit is redetermined. However, if the number of new jobs subsequently increases to the former threshold, the credit will be reinstated. (This mechanism in this paragraph is

applicable to all Super Credits except the Corporate Headquarters Relocation Credit.)

A job is attributable to the qualified investment if:

1. The employee's service is performed or his base of operations is at the new or expanded facility; and
2. The position did not exist prior to the making of the investment in the new or expanded facility; and
3. The position exists only because of the investment in the new or expanded facility.

CALCULATION OF FULL-TIME EQUIVALENT EMPLOYEES

The hours of qualified part-time employees are aggregated to determine the number of equivalent full-time employees for the purpose of determining the applicable new jobs percentage. However, they may not be aggregated for the purpose of determining when a job is attributable to the qualified investment.

Part-time employment qualifies if the employee works at least 20 hours per week for at least 6 months or 520 hours per year (26 weeks @ 20 hours per week). Full-time employment is 140 hours per month or 1,680 hours per year (140 hours times 12 months). However for investments in place prior to March 10, 1990 full-time employment is 120 hours per month or 1,440 hours per year (120 hours times 12 months).

<u>Qualified Employees</u>	<u>Full-Time Equivalent</u>	<u>Net Full-Time Equivalent</u>
200 @ < 520 hrs	1,680	Do Not Qualify *
50 @ 750 hrs	1,680	= 22.32
20 @ 1,500 hrs	1,680	= 17.86
6 @ 1,700 hrs	1,680**	= 6.00
4 @ 2,080 hrs	1,680***	= <u>4.00</u>
Total Net Full-Time Equivalent Employees		= 50.18

* Must work for at least 6 months at 20 or more hours per week to qualify

** These employees work at least 20 hours per week for at least 6 months during the year.

*** Hours beyond 1,680 (1,440 for projects in place prior to 1990) may not be counted as additional employees.

REQUIRED EMPLOYMENT RECORDS

The taxpayer must maintain records to establish the following:

1. Total full-time equivalent employment in place during the year immediately preceding the year qualified investment was first placed into service or use.
2. Total full-time equivalent employment in place during each year of the project.

Such records must be retained for a period of three years after the last year for which the credit is claimed.

REDETERMINATION, FORFEITURE, AND RECAPTURE OF CREDIT

If during any taxable year, property used as a qualified investment for any of these credits is disposed of prior to the end of its useful life or ceases to be used in an eligible business, the unused portion of the credit attributable to that investment is forfeited for the taxable year and all ensuing years. Forfeiture also applies if the taxpayer ceases operation of a business facility for which credit was allowed before expiration of the useful life of the qualified investment property. The failure to create or maintain the necessary number of new jobs for credit entitlement also results in credit forfeiture.

REDETERMINATION IS REQUIRED FOR:

1. Failure to create the minimum number of new jobs within the required two to three year period: The entire credit is forfeited. Any Credit claimed during the first three years must be paid back (recaptured) with interest and a ten percent penalty.

2. Failure to maintain the minimum number of new jobs in any year subsequent to the initial three year period (i.e. years four through ten): The credit is forfeited for any year in question, but may be reinstated for any remaining year in which the minimum number is attained, thus enabling the taxpayer to utilize the full annual credit allowance for that taxable year.
3. Failure to maintain the number of jobs necessary to attain a jobs percentage in the 60% to 90% category: The credit for year(s) affected must be redetermined to reflect the jobs percentage attributable to the actual employment increase.
4. Credit attributable to property that ceases to be used in this State prior to the end of its categorized useful life must be recalculated for all tax years according to actual useful life. If the recalculation of credit according to actual useful life results in an overutilization in a previous year, then a reconciliation statement must be filed with the payment of any additional tax and interest due. Credit attributable to property with a useful life of less than four years is forfeited for all years.

EXAMPLE

Company A creates 50 new jobs and invests \$10 million in equipment with a designated useful life of 8 years in 1987. The credit for Company A is calculated to equal \$5,000,000 or \$500,000 per year for 10 years. However, Company A moves this equipment to New York in 1992; therefore the equipment's actual useful life in West Virginia is reduced to only 5 years. The corresponding credit is reduced according to the above formula from \$5,000,000 to \$1,666,667 or \$166,667 per year for 10 years. A reconciliation statement for tax years 1987 through 1992 reflecting an overutilization of credit must be filed with payment of any additional tax, interest, and penalties owed.

REDETERMINATION IS NOT REQUIRED:

1. For a mere change in the form of conducting business. However, the property must be retained in a business in this State and the taxpayer must retain a controlling interest in the successor business. Prior to the 1990 law changes, the form of conducting business made a difference for some taxpayers between qualification for credit and nonqualification for credit. Some businesses met the net jobs increase criteria on a separate basis but not on a consolidated basis. In these cases, a mere change in the form of conducting business (e.g. from a separate filing to a combined filing) could result in credit redetermination and credit forfeiture.
2. If the forfeiture occurs because property is stolen, or damaged by fire, flood, storm, or other casualty.
3. If the business is transferred or sold to a successor business in this State. According to laws governing the credit, any available credit is allowed for subsequent tax years.

The Tax Credit Computation Schedule is designed to accommodate all or any part of these tax credits. Contained within the schedule and instructions is more detailed information regarding the Business Investment and Jobs Expansion Credits.

INSTRUCTIONS AND FORMS

Part I - QUALIFIED INVESTMENT PLACED IN SERVICE OR USE IN THIS TAXABLE YEAR IN WEST VIRGINIA

Sections 1-4

These Sections should be completed for qualified investment placed in service or use in this taxable year, unless an election to defer the credit was made. If the election to defer was made for the prior year, then these sections should be completed for qualified investment placed into service during the prior year.

If this is a certified multiple year project, include the qualified investment placed in service or use in the prior year along with the current year qualified investment. If an election was made to defer the credit for the previous year, include only the qualified investment for the current year.

Leased property placed into service or use prior to January 1, 1990 for which the cost is not quantifiable at outset should be reported in Section 6. (See instructions below).

The qualified investment is determined by multiplying the cost or other basis (Part I, Column (1), Sections 1-4) by the applicable percentage (Part I, Column (2), Section 1-4).

Enter the amount from Section 1, Line (d), Column 3 on Line (a) of Section 5; the amount from Section 2, Line (d), Column 3 on Line (b), Section 5; the amount from Section 3, Line (c), Column 3 on Line (c), Section 5; and the amount from Section 4, Line (b), Column 3 on Line (d), Section 5.

Make entries in each column as indicated on the credit schedule, as applicable.

Section 5

Add amounts on Lines (a), (b), (c), and (d) and enter result on both Line (e) and in Part II, Section 1, Line 1.

Section 6

This section applies only to non-quantifiable leases of property first placed into service or use or leased prior to March 10, 1990.

The qualified investment property may include leased properties for which the cost is not quantifiable at the outset of the lease. In this event, the cost of these properties must be determined annually. It is the amount of royalties or payments actually paid to the owner of the properties during each taxable year for a total period of ten years for realty, or for the primary term of a lease of tangible personal property for at least four years up to ten years, multiplied by the appropriate percentage determined according to the lease term and useful life of tangible personal property.

The amount of such cost each year, multiplied by the new jobs percentage, divided by ten, establishes the allowable credit each year for ten successive years, beginning with the year in which the payments were made. The new jobs percentage is determined at the time the leased properties are placed in service or use.

Since the annual credit allowance must be computed each year, this section, as well as Part II, Section 2 of this credit computation schedule must be completed and attached to the annual tax return for each taxable year in which the credit is claimed.

Make entries in each column in Part I, Section 6 as indicated on the credit schedule, as applicable.

Part II - CALCULATION OF CREDITS

Section 1-Calculation of Business Investment and Jobs Expansion Tax Credit or Corporate Headquarters Relocation Credit

Line 1. The amount of the qualified investment was determined in Part I. Enter the amount from Part I, Section 5, Line e.

Line 2. Enter the applicable new jobs percentage from the New Jobs Percentage Table.

Line 3. Multiply the amount on Line 1 by the percentage on Line 2. This is the total allowable credit.

Line 4. The taxable year percentage is ten percent.

Line 5. Multiply the amount on Line 3 by Line 4.

Section 2-Calculation of Business Investment and Jobs Expansion Tax Credit for qualified investments for which the cost is not quantifiable (Complete only if such investment was first placed into service prior to January 1, 1990)

If you have included, as part of your qualified investment, property for which the cost is not ascertainable at the time the property is placed in service or use, (Part I, Section 6, Line d, Column 3), this section must be completed each year for ten successive years. It must be attached to the applicable annual tax return filed for each of the years.

The amount of credit computed in this section, plus the annual credit allowance computed on Part II, Section 1, Line 5 (if any), is the amount of credit available for the taxable year.

Line 1. Enter the amount of the qualified investment from Part I, Section 6, Line (d), Column 3.

Line 2. Enter the applicable new jobs percentage from the New Jobs Percentage Table.

Line 3. Multiply the amount on Line 1 by the percentage on Line 2.

Line 4. The taxable year percentage is ten percent.

Line 5. Multiply the amount on Line 3 by Line 4.

Line 6. Enter the cumulative amount of credit allowance for a prior year or years from nonquantifiable investment beginning with the second year.

Line 7. Add Lines 5 and 6.

PART III - NEW JOBS/PAYROLL FACTOR COMPUTATION

Section 1 - New Jobs

Line 1. Enter in Column 1 the total number of employees in West Virginia prior to the time the qualified investment in a new or expanded business facility was placed in service or use in this State. Enter in Column 2 the total dollar amount of the annual payroll of those employees.

Line 2. Enter in Column 1 the total number of employees in West Virginia this taxable year. Enter in Column 2 the total dollar amount of the annual payroll of those employees.

Line 3. Enter in Column 1 the average number of employees in West Virginia during this taxable year. The average is attained by adding the number of employees in West Virginia at the beginning of the year to the number of employees in West Virginia at the end of the year and dividing the result by 2.

Line 4. Enter in Column 1, the number of new jobs in West Virginia, that are or will be directly attributable to the qualified investment in the new or expanded business facility in this State.

Line 5. Enter in Column 1 the number of jobs filled both by West Virginia domiciled residents and nonresidents working in West Virginia, created during and subsequent to the new jobs redetermination period, which are directly attributable to qualified investment. Enter in Column 2 the total dollar amount of the payroll, during the taxable year, of these jobs directly attributable to qualified investment.

Section 2. Payroll Factor Computation

Line 1. Enter the amount of compensation paid to employees hired as a result of the new investment.

Line 2. Enter the amount of compensation paid to all West Virginia employees.

Line 3. Divide Line 1 by Line 2 and round to six decimals.

PART IV - TAX CREDIT COMPUTATION SCHEDULE

Taxpayers in the tenth, eleventh, and twelfth tax years subsequent to the year investment was placed in service **must** use Part IV-B.

The credit may be applied to the taxes as listed and must be applied in the order shown.

Column 1. Enter your tax liability, if any, for each of the taxes listed, determined before application of any other allowable credits or exemptions. In the case of Business Franchise Tax, the tax liability is the amount remaining after deductions for any Subsidiary Credit, Business and Occupation Tax Credit and Bank Shares Tax Credit available to the taxpayer.

If you are claiming the Corporate Headquarters Relocation Credit, the Corporation Net Income Tax liability must be determined separately on allocated income and apportioned income. This is required even if the corporation is taxable only in West Virginia. Apportioned income is income arising from transactions and activity in the regular course of trade or business activity and includes all income unless the income is clearly classifiable as nonbusiness income. Allocated income is nonbusiness income and may include interest and dividend income, certain capital gains income, rents and royalty income, but only to the extent that such income is not earned from business activity.

If your computation of qualified investment does not include property or expenses for the relocation of corporate headquarters, enter your total Corporation Net Income Tax liability on Line (e) 1, Column 1, and make no entries on Line (e) 2 and 3.

If your computation of qualified investment includes property and expenses for relocating corporate headquarters within West Virginia, enter your Corporation Net Income Tax on apportioned income on Line (e) 2, Column 1 and the tax on allocated income on Line (e) 3, Column 1. Make no entry on Line (e) 1. The total of the separate tax computations should equal the Corporation Net Income Tax liability shown on your annual tax return.

Column 3. The payroll factor does not apply to the Corporation Net Income Tax on allocated income. If you have an entry on Line (e) 3, Column 1 enter that amount also on Line (e) 3, Column 3.

Multiply the tax liability in Column 1, for each of the taxes by the payroll factor in Column 2 (where applicable), and enter the result in Column 3. This is the amount of tax liability attributable to the qualified investment.

The credits may be used to offset eighty percent (80%) of the tax attributable to the qualified investment of the taxes listed. If you have Corporate Headquarters Relocation Credit, then you may offset 100% of tax on allocated income tax in addition to 80% of the other taxes.

The credits must be claimed against the taxes in the order shown.

Legislation enacted in early 1990 eliminated the application of the Business Investment and Jobs Expansion Credit against the West Virginia Severance Tax. As a result, Line (b) (Severance Tax) should be skipped unless the qualified investment was placed into service or use prior to January 1, 1990 or the taxpayer qualified under one of the transition rules of W. Va. Code § 11-13C-14 and filed Form WV BCS-SEV (Notice of Intent to Claim Credit Against Severance Tax) with the Department on or before July 2, 1990.

Column 4. Multiply the amounts in Column 3 by the percentages shown and enter the result in Column 4.

Column 5. Enter the amount of your annual credit allowance that you are applying to each of the taxes listed. The annual credit allowance is applied to the first of the listed taxes to which you are subject. If the annual credit allowance is used up, you may then use any rebate credit carried forward from prior years against tax subject to credit. If there is annual credit allowance or rebate credit carried forward from prior years remaining after that application, it is next applied to the second of the listed taxes. Follow this procedure for each of the taxes to which you are subject, carefully monitoring the application to see that the amount of the annual credit allowance used does not exceed the annual credit allowance available and/or rebate credit carried forward from prior years. Add the amounts in Column 5 and enter the result on Line g, Column 5.

Column 6. If the annual credit allowance and rebate credit carried forward from prior years is absorbed in the application to the various taxes, you will have no entries for Columns 6 and 7. If the annual allowance is absorbed you will not need to complete Part V, Section 1.

If, after application to the various taxes, you have annual credit allowance or rebate credit carried forward from prior years remaining, the unused credit is applied as a rebate of: 80% of ad valorem property taxes on all property attributable to the qualified investment; 80% of unemployment compensation tax attributable to the compensation of new employees, filling the new jobs that are attributable to the qualified investment; and 20% of workers compensation premiums attributable to the compensation paid to new employees, filling the new jobs that are attributable to the qualified investment.

The rebate amount, or the remaining credit, whichever is less, may be applied to the remaining 20% of the various taxes attributable to the qualified investment.

Subtract the amount in Column 4, if any, for each of the taxes from the amount in Column 3 and enter the result in Column 6. This is the amount of taxes against which the rebate may be applied. Add the amounts in Column 6 and enter the result on Line g, Column 6.

Column 7. **This Column cannot be completed until Part V is completed.**

Column 8. Enter the sum of Column 5 and Column 7 for each of the applicable taxes.

The Twenty Percent Annual Credit Deferral

For tax years ending after May 31, 1993, taxpayers claiming the Business Investment and Jobs Expansion Tax Credit (Super Credit) must now defer 20% of the value of the annual credit applications until the tenth, eleventh, and twelfth tax years subsequent to the year qualified investment is placed into service or use. The amount of credit deferment is determined after the calculations have been made for the Super Credits claimed in step one and step two. Twenty percent of the total of the credit claimed is to be carried forward annually until the eleventh year of the credit. Then, the deferred amount is drawn upon as a credit to be taken against the taxpayer's liability for business taxes in the same order as mandated for the taking of the Super Credits. The deferred credits may offset up to one hundred percent (100%) of the tax liability directly attributable to the qualified investment and new jobs only in the tenth, eleventh and twelfth subsequent tax years. Those with Severance Tax eligible credits must separate the deferrals of those credits from other credit deferrals.

Column 9. Enter 20% of Column 8. This amount is a reduction of the credit actually claimed, not of the credit available.

Column 10. Subtract Column 9 from Column 8 and enter the result. Enter the result of Line g, Column 10 on Part VII, Section 1 (d) for the applicable year.

The Additional Allowance for Minimum Coal Severance Taxpayers ("Free-Up" Credit) - W.Va. Code § 11-13C-5 (p)

Beginning June 1, 1993, the minimum coal severance tax rate increases from 50 cents per ton to 75 cents per ton. To lessen the impact on taxpayers affected by the increased minimum tax on coal, these taxpayers may possibly be able to free-up a portion of the credit previously calculated. The value of this free-up credit is equal to the lesser of (a) one-third of the taxpayer's minimum severance tax on coal (i.e. the minimum tax imposed at a rate of 75 cents) or (b) the amount of the taxpayer's net minimum severance tax on coal. The net minimum severance tax on coal is the amount of the State severance tax on coal severed and extracted by the taxpayer after application of available Super Credits and the annual \$500 exemption.

Free-up credit may be used against Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax.

Column 11. Subtract Column 10 from Column 3. This free-up credit may be used against Business Franchise Tax, Corporation Net Income Tax, and Personal Income Tax.

Column 12. Enter the amount from Part VI, Line 9 applicable to Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax liabilities.

Column 13. Enter the sum of the entries in Column 10 and Column 12 for each of the listed taxes in the amount to be claimed as credit on the appropriate annual returns filed.

PART IV - B - TAX CREDIT COMPUTATION SCHEDULE FOR 11TH THROUGH 13TH TAX YEARS

The credit may be applied to the taxes as listed and must be applied in the order shown.

Line 1. Enter your tax liability, if any, for each of the taxes listed, determined before application of any other allowable credits or exemptions. In the case of Business Franchise Tax, the tax liability is the amount remaining after deductions for any Subsidiary Credit, Business and Occupation Tax Credit and Bank Shares Tax Credit available to the taxpayer.

If you are claiming the Corporate Headquarters Relocation Credit, the Corporation Net Income Tax liability must be determined separately on allocated income and apportioned income. This is required even if the corporation is taxable only in West Virginia. Apportioned income is income arising from transactions and activity in the regular course of trade or business activity and includes all income unless the income is clearly classifiable as nonbusiness income. Allocated income is nonbusiness income and may include interest and dividend income, certain capital gains income, rents and royalty income, but only to the extent that such income is not earned from business activity.

If your computation of qualified investment does not include property or expenses for the relocation of corporate headquarters, enter your total Corporation Net Income Tax liability in Column (e) 1, Line 1, and make no entries in Columns (e) 2 and 3.

If your computation of qualified investment includes property and expenses for relocating corporate headquarters within West Virginia, enter your Corporation Net Income Tax on apportioned income in Column (e) 2, Line 1 and the tax on allocated income in Column (e) 3, Line 1. Make no entry in Column (e) 1. The total of the separate tax computations should equal the Corporation Net Income Tax liability shown on your annual tax return.

Line 3. The payroll factor does not apply to the Corporation Net Income Tax on allocated income. If you have an entry in Column (e) 3, Line 1 enter that amount also in Column (e) 3, Line 3.

Multiply the tax liability on Line 1, for each of the taxes by the payroll factor on Line 2 (where applicable), and enter the result on Line 3. This is the amount of tax liability attributable to the qualified investment.

The credits may be used to offset eighty percent (80%) of the tax attributable to the qualified investment of the taxes listed. If you have Corporate Headquarters Relocation Credit, then you may offset 100% of tax on allocated income tax in addition to 80% of the other taxes.

The credits must be claimed against the taxes in the order shown.

Legislation enacted in early 1990 eliminated the application of the Business Investment and Jobs Expansion Credit against the West Virginia Severance Tax. As a result, Column (b) (Severance Tax) should be skipped unless the qualified investment was placed into service or use prior to January 1, 1990 or the taxpayer qualified under one of the transition rules of W. Va. Code § 11-13C-14 and filed Form WV BCS-SEV (Notice of Intent to Claim Credit Against Severance Tax) with the Department on or before July 2, 1990.

Line 4. Multiply the amounts on Line 3 by the percentages shown on the Offset Factor line and enter the result on Line 4.

Line 5. Enter the amount of your annual credit allowance that you are applying to each of the taxes listed. The annual credit allowance is applied to the first of the listed taxes to which you are subject. If the annual credit allowance is used up, you may then use any rebate credit carried forward from prior years against tax subject to credit. If there is annual credit allowance or rebate credit carried forward from prior years remaining after that application, it is next applied to the second of the listed taxes. Follow this procedure for each of the taxes to which you are subject, carefully monitoring the application to see that the amount of the annual credit allowance used does not exceed the annual credit allowance available and/or rebate credit carried forward from prior years. Add the amounts on Line 5 and enter the result in Column g, Line 5.

Line 6. If the annual credit allowance and rebate credit carried forward from prior years is absorbed in the application to the various taxes, you will have no entries for Lines 6 and 7. If the annual allowance is absorbed you will not need to complete Part V, Section 1.

If, after application to the various taxes, you have annual credit allowance or rebate credit carried forward from prior years remaining, the unused credit is applied as a rebate of: 80% of ad valorem property taxes on all property attributable to the qualified investment; 80% of unemployment compensation tax attributable to the compensation of new employees, filling the new jobs that are attributable to the qualified investment; and 20% of workers compensation premiums attributable to the compensation paid to new employees, filling the new jobs that are attributable to the qualified investment.

The rebate amount, or the remaining credit, whichever is less, may be applied to the remaining 20% of the various taxes attributable to the qualified investment.

Subtract the amount on Line 4, if any, for each of the taxes from the amount on Line 3 and enter the result on Line 6. This is the amount of taxes against which the rebate may be applied. Add the amounts on Line 6 and enter the result in Column g, Line 6.

Line 7. **This Line cannot be completed until Part V is completed.**

Line 8. Enter the sum of Line 5 and Line 7 for each of the applicable taxes.

The Twenty Percent Annual Credit Deferral

For tax years ending after May 31, 1993, taxpayers claiming the Business Investment and Jobs Expansion Tax Credit (Super Credit) must now defer 20% of the value of the annual credit applications until the tenth, eleventh, and twelfth tax years subsequent to the year qualified investment is placed into service or use. The amount of credit deferment is determined after the calculations have been made for the Super Credits claimed in step one and step two. Twenty percent of the total of the credit claimed is to be carried forward annually until the eleventh year of the credit. Then, the deferred amount is drawn upon as a credit to be taken against the taxpayer's liability for business taxes in the same order as mandated for the taking of the Super Credits. The deferred credits may offset up to one hundred percent (100%) of the tax liability directly attributable to the qualified investment and new jobs only in the tenth, eleventh and twelfth subsequent tax years. Those with Severance Tax eligible credits must separate the deferrals of those credits from other credit deferrals.

Line 9. Enter 20% of Line 8. This amount is a reduction of the credit actually claimed, not of the credit available.

Line 10. Subtract Line 9 from Line 8 and enter the result. Enter the result of Column g, Line 10 on Part VII, Section 1 (d) for the applicable year.

The Additional Allowance for Minimum Coal Severance Taxpayers ("Free-Up" Credit) - W.Va. Code § 11-13C-5 (p)

Beginning June 1, 1993, the minimum coal severance tax rate increases from 50 cents per ton to 75 cents per ton. To lessen the impact on taxpayers affected by the increased minimum tax on coal, these taxpayers may possibly be able to free-up a portion of the credit previously calculated. The value of this free-up credit is equal to the lesser of (a) one-third of the taxpayer's minimum severance tax on coal (i.e. the minimum tax imposed at a rate of 75 cents) or (b) the amount of the taxpayer's net minimum severance tax on coal. The net minimum severance tax on coal is the amount of the State severance tax on coal severed and extracted by the taxpayer after application of available Super Credits and the annual \$500 exemption.

Free-up credit may be used against Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax.

Line 11. Subtract Line 10 from Line 3. This free-up credit may be used against Business Franchise Tax, Corporation Net Income Tax, and Personal Income Tax.

Line 12. Enter the amount from Part VI, Line 9 applicable to Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax liabilities.

Line 13. Enter the sum of the entries on Line 10 and Line 12.

- Line 14. Subtract Line 13 from Line 3 and enter the result.
- Line 15. Enter the minimum of Line 14 and the total of Part VIII, Column 5 minus the total of Part VIII, Column 6.
- Line 16. Enter the minimum of Line 14 minus Line 15 and Total Rebate Carryover Credit minus any Rebate Carryover Credit used on Line 7.
- Line 17. Enter the sum of Line 15 and Line 16.
- Line 18. Enter the sum of Line 13 and Line 17 for each of the listed taxes in the amount to be claimed as credit on the appropriate annual returns filed.

Part V - REBATE

Section 1 Determination of Maximum Rebate Allowable

- Line a, Column 1.** Enter the total amount of ad valorem property taxes imposed and paid pursuant to West Virginia Code § 11-8, for the taxable year.
- Line a, Column 2.** Enter the amount of such property taxes imposed and paid which are directly attributable to the qualified investment in a new or expanded business facility, for the taxable year.
- Multiply the amount in Column 2, Line a by the percentage shown in Column 3, Line a and enter the result in Column 4, Line a.
- Line b, Column 1.** Enter the total amount of Unemployment Compensation Tax imposed and paid under West Virginia Code § 21A-5, for the taxable year.
- Line b, Column 2.** Enter the amount of such tax imposed and paid which is directly attributable to the compensation of new employees filling the new jobs that are attributable to the qualified investment. Multiply the amount in Column 2, Line b by the percentage shown in Column 3, Line b and enter the result in Column 4, Line b.
- Line c, Column 1.** Enter the total amount of Workers Compensation premiums imposed and paid under West Virginia Code § 23-2, for the taxable year.
- Line c, Column 2.** Enter the amount of such premiums imposed and paid which is attributable to the compensation paid new employees filling the new jobs that are directly attributable to the qualified investment.
- Multiply the amount in Column 2 Line c by the percentage shown in Column 3, Line c and enter the result in the Column 4, Line c.
- Line d.** Enter the sum of Column 4, Lines a, b, and c.

Section 2 - Rebate to be applied in Current Tax Year

- Line a.** Enter the amount of the annual credit allowance from Part VII, Section 1, Line a (1), or Line b (4), whichever is applicable.
- Line b.** Enter the amount of credit allowance applied from Part IV, Line g, Column 5.
- Line c.** Subtract the amount on Line b from the amount on Line a. This is the amount of the annual credit allowance available for rebate.
- Line d.** Maximum rebate allowable current year. (From Part V, Section 1, Line d).
- Line e.** Enter the lesser of Line c or Line d. If less than zero (0), enter zero (0).
- Line f.** Maximum rebate allowable from prior years. (From Part VII, Section 1, Line c (16)).
- Line g.** Add the amount on Line e and the amount on Line f. This amount may be used to offset tax liability in Part IV, Column 6.
- Line h.** Enter the total amount of applied rebate from Part IV, Line g, Column 7.

Line i. Subtract Line h from Line g. (This number may never be less than zero). Also, enter this amount in Part VII, Section 1, Line c for the applicable tax year. This number represents the total amount of rebate available to be carried forward to future years.

The amount of applied rebate for the current taxable year is the amount of rebate carried forward from prior years plus the lesser of:

1. The unused portion of the annual credit allowance (Part V, Section 2, Line c); or
2. The maximum rebate allowable (Part V, Section 2, Line d).

PART VI - FREE-UP CREDIT CALCULATION SCHEDULE

(For Taxpayers subject to the Minimum Severance Tax on Coal)

- Line 1.** Enter total tons produced for sale on or before May 31, 1993 in Column 1 and total tons produced for sale on or after June 1, 1993 in Column 2. Add Columns 1 and 2 and enter the total tons sold in column 3.
- Line 2.** Multiply Line 1, Column 1, by \$0.50 and Line 1, Column 2 by \$0.75. Add Columns 1 and 2 and enter in Column 3.
- Line 3.** Enter the total from Schedule A, Line 1, WV/SEV 401-C, Coal Severance Tax Return.
- Line 4.** Enter the total from Schedule A, Line 2A plus Line 2F less any claim of Industrial Expansion and Revitalization, Research and Development, Coal Loading Facility and/or Capital Company Credits.
- Line 5.** Subtract Line 4 from Line 3.
- Line 6.** Multiply Line 5 by 0.93.
- Line 7.** Subtract the amount in Column 3, Line 6, from the amount in Column 3, Line 2, and enter the difference. (If less than zero, enter zero).
- Line 8.** Enter the amount on Line 2, Column 2 divided by the number 3.
- Line 9.** Enter in Column 3 the lessor of Lines 7 or 8. Enter this amount on applicable Line, Part IV, Column 12 of Tax Credit Computation Schedule.

PART VII - RECAP OF ANNUAL CREDIT APPLICATION

Section 1

- Line a.** Enter the annual credit allowance for Business Investment and Job Expansion Credit and Corporate Headquarters Relocation and Business Investment and Jobs Expansion Credit for qualified investments for which the cost is not quantifiable. (The sum of Part II, Section 1, Line 5 and Section II, Line 7) on Line a.
- Line a (1).** Enter your first year of credit utilization on Line a (1). If you have a multiple year project certification, skip Lines a and a (1) and complete Lines b (1) through Line b (4).
- Line b (1).** If you received a multiple year project certification then enter your annual credit allowance for investments placed into service during the first taxable year. Include any annual credit allowance for which a yearly computation was required. Also enter the applicable year in the space provided.
- Line b (2).** Enter your annual credit allowance for investments placed into service during the second taxable year (if applicable). Include any annual credit allowance for which a yearly computation was required.
- Line b (3).** Enter your annual credit allowance for investments placed in service during the third taxable year (if applicable). Include any annual credit allowance for which a yearly computation was required.
- Line b (4).** Add the amounts on Lines b (1), b (2), and b (3) and enter the result on Line 4. This is the amount of credit available for the current year. Note, this credit is only available to taxpayers who obtain a multiple year project certification from the Tax Commissioner. All others must use the instructions for Line a to compute their credit. Depending upon the type of credit period, i.e. single year or multiple year, the

amount on Line a or b whichever is applicable will be used in Part IV to reduce up to eighty percent (80%) of the tax liability, for certain taxes, that is attributable to and the direct result of the qualified investment.

- Line c.** After completing Part IV and Part V, enter any rebate amount remaining to be carried forward from the respective years. Rebate credit carried forward should be taken beginning with the earliest credit year.
- Line d.** Enter the amount of deferred tax credit from Tax Credit Computation Schedule, Line g, Column 9 for each applicable tax period.

Section 2

- Line 1.** Enter the amount from Part VII, Section 1 Line a or Line b (4).
- Line 2.** Enter the amount from Part IV Line g, Column 5.
- Line 3.** Enter the amount from Part V, Section 2, Line e.
- Line 4.** Enter the amount from Part V, Section 2, Line f.
- Line 5.** Enter the amount from Part IV, Line g, Column 7.
- Line 6.** Enter the sum of Lines 3 and 4, minus Line 5.
- Line 7.** Enter the amount from Tax Credit Computation Schedule, Part IV, Line g, Column 9. The deferred credit(s) may offset up to 100% of tax liability directly attributed to the qualified investment and new jobs in the tenth, eleventh, and twelfth tax years subsequent to the year such investment is placed into service or use.
- Line 8.** Enter the amount of deferred credit applied. Provide detailed information for taxable year(s) and amounts that gives rise to the deferred credit being used in the tenth, eleventh, and twelfth tax years subsequent to the year such investment is placed into service or use.
- Line 9.** Enter the amount of available free-up credit, Part VI, Line 9.
- Line 10.** Enter the amount of available free-up credit applied for the current taxable year from Part IV, Column 12, Line g.

PART VIII

- Column 1. Enter the year for which credit was deferred or deferment credit used.
- Column 2. Enter historical deferred credit attributable to investment made in the first year of the project. Refer to Part IV or Part IV-B filed in previous years or to Part VII.
- Column 3. For multiple-year projects, enter historical deferred credit attributable to investment made in the second year of the project. Refer to Part IV or Part IV-B filed in previous years or to Part VII. Enter an amount only if the credit attributable to first year investment was completely exhausted.
- Column 4. For multiple-year projects, enter historical deferred credit attributable to investment made in the third year of the project. Refer to Part IV or Part IV-B filed in previous years or to Part VII. Enter an amount only if the credit attributable to first and second year investment was completely exhausted.
- Column 5. Sum the entries in Column 2, Column 3 and Column 4 and enter the result.
- Column 6. Enter the amount of Deferred Credit applied in previous years. Refer to Part IV or Part IV-B filed in previous years or to Part VII.
- Column 7. Enter the amount of Deferred Credit applied in current year. Refer to Part IV-B, Line 15, Column g.
- Column 8. Subtract the amounts in Column 6 and Column 7 from Column 5.

PART IX

This part of the credit schedule must be completed, all questions answered and information provided. Failure to do so can result in a delay or disallowance of the credit claimed on the tax returns.

Taxable year beginning _____, Ending _____

NAME		IDENTIFICATION NUMBER	
STREET ADDRESS			
CITY, TOWN, OR POST OFFICE		STATE	ZIP CODE

**WEST VIRGINIA BUSINESS INVESTMENT AND JOBS EXPANSION TAX CREDIT OR
CORPORATE HEADQUARTERS RELOCATION CREDIT**

PART I - QUALIFIED INVESTMENT PLACED IN SERVICE OR USE IN THIS TAXABLE YEAR IN WEST VIRGINIA	Date Placed In Service or Use MONTH/DAY/YEAR	(1) Cost or Other Basis	(2) Applicable Percentage	(3) Qualified Investment Col. 1 X Col. 2
Section 1. PURCHASED PROPERTY				
(a) Land			100%	
(1) Natural resources in place*			100%	
(2) Land				
(b) Buildings and Other Improvements to Real Property			0%	
(1) Useful life less than 4 years			33.33%	
(2) 4 years but less than 6 years			66.66%	
(3) 6 years but less than 8 years			100%	
(4) 8 years or more				
(c) Machinery, Equipment, and Other Depreciable or Amortizable Tangible Personal Property**			0%	
(1) Useful life less than 4 years			33.33%	
(2) 4 years but less than 6 years			66.66%	
(3) 6 years but less than 8 years			100%	
(4) 8 years or more				
(d) TOTAL				
Section 2. LEASED PROPERTY				
(a) Land			100%	
(1) Natural resources in place capable of 10 or more years of sustained production			100%	
(2) Land with primary lease term of 10 or more years				
(b) Buildings and Other Improvements to Real Property			100%	
(1) Primary lease term and useful life of property 10 years or more				
(c) Machinery, Equipment, and Other Depreciable or Amortizable Tangible Personal Property			0%	
(1) Primary lease term or useful life less than 4 years			33.33%	
(2) Primary lease term and useful life of property 4 to 6 years			66.66%	
(3) Primary lease term and useful life of property 6 to 8 years			100%	
(4) Primary lease term and useful life of property 8 years or more				
(d) TOTAL				

* Natural resources in place must be capable of sustained production for a period of ten (10) or more years. Natural resources in place or leased natural resources generally apply only to investments in place prior to 1990.

** Tangible personal property that is eligible for depreciation or amortization for federal income tax purposes having a useful life (economic life) of four (4) or more years.

	Date Placed In Service or Use MONTH/DAY/YEAR	(1) * Cost or Other Basis	(2) Applicable Percentage	(3) Qualified Investment Col. 1 X Col. 2
Section 3. TRANSFERRED PROPERTY				
(a) Owned Machinery, Equipment, and Other Tangible Personal Property			0%	
(1) Remaining useful life less than 4 years			33.33%	
(2) Remaining useful life 4 to 6 years			66.66%	
(3) Remaining useful life 6 to 8 years			100%	
(4) Remaining useful life 8 or more years				
(b) Leased Machinery, Equipment, and Other Tangible Personal Property			0%	
(1) Remaining years of primary lease term and useful life less than 4 years			33.33%	
(2) Remaining years of primary lease term and useful life 4 to 6 years			66.66%	
(3) Remaining years of primary lease term and useful life 6 to 8 years			100%	
(4) Remaining years of primary lease term and useful life 8 years or more				
(c) TOTAL				
Section 4. REASONABLE AND NECESSARY EXPENSES TO RELOCATE CORPORATE HEADQUARTERS				
(a)			100%	
(1)			100%	
(2)			100%	
(3)			100%	
(4)			100%	
(5)			100%	
(b) TOTAL				
Section 5. SUMMARY OF QUALIFIED INVESTMENT				
(a) Amount from Part 1, Section 1, line (d), Column 3				
(b) Amount from Part 1, Section 2, line (d), Column 3				
(c) Amount from Part 1, Section 3, line (c), Column 3				
(d) Amount from Part 1, Section 4, line (b), Column 3				
(e) Total [add lines (a) (b) (c) and (d)]				

ONLY FOR PROPERTY INITIALLY PLACED INTO SERVICE PRIOR TO 1/1/90	Date Placed In Service or Use MONTH/DAY/YEAR	(1) *Cost or Other Basis	(2) Applicable Percentage	(3) Qualified Investment Col. 1 X Col. 2
Section 6. LEASED PROPERTY - FOR WHICH THE COST IS NOT QUANTIFIABLE AT THE OUTSET OR WHICH VARIES ANNUALLY**				
(a) Natural resources in place - Royalties actually paid to owner of the natural resource during this taxable year			100%	
(b) Real property - Payments made during this taxable year			100%	
(c) Tangible personal property			0%	
(1) Primary lease term or useful life of property less than 4 years			33.33%	
(2) Primary lease term or useful life of property 4 to 6 years			66.66%	
(3) Primary lease term or useful life of property 6 to 8 years			100%	
(4) Primary lease term or useful life of property 8 years or more				
(d) TOTAL				

* Adjusted cost or other basis is original cost or other basis, less straight line depreciation for period of time the taxpayer used the transferred property outside this State. In the case of leased property it is the rent reserved for the remainder of the primary term of the lease.

** Natural resources in place must be capable of sustained production for a period of ten (10) or more years. Any other qualifying real property must have a primary lease term of ten (10) or more years.

NAME	IDENTIFICATION NUMBER
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PART II - CALCULATION OF CREDITS**Section 1. CALCULATION OF BUSINESS INVESTMENT AND JOBS EXPANSION TAX CREDIT OR CORPORATE HEADQUARTERS RELOCATION CREDIT FOR WHICH THE COST IS QUANTIFIABLE**

1. Total qualified investment [From Part I, Section 5, line (e)] _____
2. New jobs percentage (see table below) _____
3. Total allowable credit (line 1 x line 2) _____
4. Taxable year percentage10
5. Credit allowance(s) for taxable year (line 3 x line 4) _____

Section 2. CALCULATION OF BUSINESS INVESTMENT AND JOBS EXPANSION TAX CREDIT FOR QUALIFIED INVESTMENTS FOR WHICH THE COST IS NOT QUANTIFIABLE

1. Total qualified investment [From Part I, Section 6, line (d), column (3)] _____
2. New jobs percentage (see table below) _____
3. Total allowable credit (line 1 x line 2) _____
4. Taxable year percentage10
5. Credit allowance(s) for taxable year (line 3 x line 4) _____
6. Annual credit allowance for such qualified investments prior year(s) _____
7. Credit allowance this taxable year (line 5 plus line 6) _____

NOTE: The ten year period begins with the taxable year in which the qualified investment property is placed in service or use, or, at the taxpayer's election, the next succeeding taxable year. An election to defer applies to all credit attributable to qualified investment placed into service during the first year only. For the Corporate Headquarters Relocation Credit or regular or project Business Investment and Jobs Expansion Credit, this election must be made either on the West Virginia income tax return filed for the taxable year in which credit is first taken and if applicable, on Schedule BCS-A (Application for Business Investment and Jobs Expansion Credit for Investments Placed into Service or Use on or after January 1, 1990).

NEW JOBS PERCENTAGE TABLE**NUMBER OF NEW JOBS****NEW JOBS PERCENTAGE**

15 to 49 (Corporate Headquarters relocation only)	10%
50 to 279	50%
280 to 519	60%
520 to 759	70%
760 to 999	80%
1000 or more	90%

NAME	IDENTIFICATION NUMBER
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PART III -NEW JOBS/PAYROLL FACTOR COMPUTATION	(1) Number of Employees Column 1	(2) Payroll of Col. 1 Employees Column 2
Section 1. New Jobs		
1. What was the taxpayer's total employment in West Virginia prior to this qualified investment being placed in service or use?		
2. What was the taxpayer's total employment in West Virginia during the taxable year?		
3. What was the taxpayer's total average employment in West Virginia during the taxable year?		
4. How many new jobs filled by West Virginia domiciled residents are/will be directly attributable to this qualified investment?		
5. How many jobs filled by both West Virginia residents and nonresidents working in the State, including new jobs filled by new employees, are directly attributable to this qualified investment?		

Section 2. Payroll Factor Computation			
_____	Divided by	_____	= _____
(Part III Section 1, Line 5, Column 2)		(Part III Section 1, Line 2, Column 2)	(Rounded to six decimals)
(Compensation paid to new employees hired as a result of the New Investment)		(Compensation paid to all West Virginia employees of the taxpayer)	
If the use of this payroll factor computation results in a significant distortion of tax liability attributable to the investment, the Tax Commissioner may prescribe use of an alternative method for determining such tax liability.			

TAX CREDIT COMPUTATION SCHEDULE														
Type of Tax	(1) Liability	(2) Payroll Factor	(3) Tax Attributable To Investment	x	= (4) Tax Subject To Credit	(5) Amount of Credit Applied	(6) Tax Subject To Rebate (Col. 3 - Col.4)	(7) Amount of Rebate Applied	(8) Col. 5 + Col.7	(9) Deferred Credit (Col. 8 x 20%)	(10) Col. 8 - Col. 9	(11) Tax Eligible for Free-up Credit (Col. 3 - Col. 10)	(12) Free-up Credit Applied	(13) Total Credits (Col. 10 + Col. 12)
(a) Business & Occupation Tax				.80										
(b) Severance Tax				.80										
(c) Tele- communicati Tax				.80										
(d) Business Franchise Tax				.80										
(e) (1) Corporation Net Income Tax				.80										
(2) Apportioned				.80										
(3) Allocated				1.00										
(f) Personal Income Tax on Net Income From Business Activity				.80										
(g) Total														

* Credit against Severance Tax may only be claimed if the qualified investment was placed into service or use prior to January 1, 1990 or if the taxpayer qualified under one of the transition rules of W. Va. Code § 11-13C-14 and filed a WV/BCS-SEV on or before July 2, 1990. ** If you are claiming Business Investment and Jobs Expansion Credit, enter your total Corporation Net Income Tax liability on Line (e) 1. Make no entries on Lines (e) 2 and 3 . If you are claiming Corporate Headquarters Relocation Credit only, enter your Corporation Net Income Tax liability on apportioned income on Line (e) 2 and on allocated income on Line (e) 3, and make no entries on Line (e)1 . (NOTE: This allocation and apportionment of income is required even if the corporation is taxable only in this State).

TAX CREDIT COMPUTATION SCHEDULE FOR 11TH THROUGH 13TH TAX YEARS									
	(a) Business & Occupation Tax	(b) Severance Tax*	(c) Tele- communications Tax	(d) Business Franchise Tax	(e)(1) Corporation Net Income Tax**	(e)(2) Corporation Net Income Tax Apportioned	(e)(3) Corporation Net Income Tax Allocated	(f) Personal Income Tax	(g) Total
1. Liability									
2. Payroll Factor									
3. Tax Attributable to Investment (Line 1 times Line 2)									
Offset Factor	0.80	0.80	0.80	0.80	0.80	0.80	1.00	0.80	
4. Tax Subject to Credit (Line 3 times Offset Factor)									
5. Amount of Credit Applied									
6. Tax Subject to Rebate (Line 3 minus Line 4)									
7. Amount of Rebate Applied									
8. Total Credit and Rebate Applied (Lline 5 plus Line 7)									
9. Deferred Credit (Line 8 times 20 percent)									
10. Total Applied Credit less Deferred Credit (Line 8 minus Line 9)									
11. Tax Eligible for Free-Up Credit (Line 3 minus Line 10)									
12. Free-Up Credit Applied									
13. Total Normal Credit to be Applied (Line 10 plus Line 12)									
14. Remaining Tax Attributable to Investment (Line 3 minus Line 13)									
15. Applied Deferment Credit									
16. Applied Rebate Carryover Credit									
17. Total Deferment and Rebate Carryover Credit (Line 15 plus Line 16)***									
18. Total Normal, Deferred and Rebate Carryover Credit									

* Credit against Severance Tax may only be claimed if the qualified investment was placed into service or use prior to January 1, 1990 or if the taxpayer qualified under one of the transition rules of W. Va. Code § 11-13C-14 and filed a WV/BCS-SEV on or before July 2, 1990. ** If you are claiming Business Investment and Jobs Expansion Credit, enter your total Corporation Net Income Tax liability in Column (e) 1. Make no entries in Columns (e) 2 and 3. If you are claiming Corporate Headquarters Relocation Credit only, enter your Corporation Net Income Tax liability on apportioned income in Column (e) 2 and on allocated income in Column (e) 3, and make no entries in Column (e)1. (NOTE: This allocation and apportionment of income is required even if the corporation is taxable only in this State).*** Cannot exceed Line 14.

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PART V - REBATE**Section 1. Determination of Maximum Rebate Allowable**

	Total West Virginia Liability Column 1	Liability Eligible For Rebate Column 2	X Column 3	Maximum Rebate Amount Column 4
(a) Ad valorem property tax paid on property attributable to the qualified investment			.80	
(b) Unemployment Compensation Tax paid			.80	
(c) Workers' Compensation Premium paid			.20	
(d) TOTAL Maximum Rebate Allowable Current Year				

Section 2. Rebate to be applied in current tax year

- (a) Annual credit allowance available [Part VII, Section 1, Line (a)(1) or Line (b) (4)]. _____
- (b) Amount of credit applied [Part IV Line (g) Column (5)]. _____
- (c) Amount of credit remaining [Line (a) less Line (b)]. _____
- (d) Maximum rebate allowable current year [Part V, Section 1, Line (d)]. _____
- (e) Rebate available current year [Lesser of Line (c) or Line (d)]. _____
- (f) Rebate from prior years [Part VII, Section 1, Line c (16)]. _____
- (g) Total available rebate [Line (e) plus Line (f)]. _____
- (h) Amount of applied rebate [Part IV, Line (g), Column 7]. _____
- (i) Rebate carried forward [Line (g) less Line (h)]. _____

NOTE: Unused rebate credit may be carried forward for three additional tax years beyond the ten year period.

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Taxable year beginning _____, Ending _____

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PART VI - FREE-UP CREDIT COMPUTATION SCHEDULE

NOTE: Available **only** to Taxpayers subject to the Minimum Severance Tax on Coal

	Column 1 Prior to June 1, 1993		Column 2 On or After June 1, 1993	Column 3 TOTAL
1. Total tons sold				
2. Tax:	Line 1 x \$.50 =	+	Line 1 x \$.75 =	
3. WV/SEV401-C Schedule A, Line 1				
4. WV/SEV401-C Schedule A, Line 2A plus Line 2F (11-13C credits plus Annual Exemption)				
5. Net Severance Tax (Line 3 minus Line 4)				
6. State portion (Line 5 above x .93)				
7. NET MINIMUM TAX (Line 2, Column 3 minus Line 6, if less than zero, enter zero)				
8. Line 2, Column 2 Tax Computation of Tons Sold @ \$.75 divided by 3				
9. AVAILABLE FREE-UP CREDIT (The lessor of Lines 7 or 8) Enter this amount on applicable line(s), Column 12, of Tax Credit Computation Schedule				

NOTE: "Free-up Credit" may be used against Business Franchise Tax, Corporation Net Income Tax and Personal Income Tax liabilities. Any unused free-up credit must be forfeited by the taxpayer and **may not** be carried to any other tax year.

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PART VII - RECAP OF ANNUAL CREDIT APPLICATION

Section 1.

a. Annual Allowance _____

(1) First year credit was taken 19 _____

b. Multiple year Projects (See Instructions)

(1) 19____ Allowance _____

(2) 19____ Allowance _____

(3) 19____ Allowance _____

(4) Total _____

c. Rebate Carried Forward from Prior Years

(1) From 1989 _____ (5) From 1993 _____ (9) From 1997 _____ (13) From 2001 _____

(2) From 1990 _____ (6) From 1994 _____ (10) From 1998 _____ (14) From 2002 _____

(3) From 1991 _____ (7) From 1995 _____ (11) From 1999 _____ (15) From 2003 _____

(4) From 1992 _____ (8) From 1996 _____ (12) From 2000 _____ (16) Total _____

d. Deferred Credit

(1) From 1993 _____ (5) From 1997 _____ (9) From 2001 _____

(2) From 1994 _____ (6) From 1998 _____ (10) From 2002 _____

(3) From 1995 _____ (7) From 1999 _____ (11) From 2003 _____

(4) From 1996 _____ (8) From 2000 _____ (12) Total _____

Section 2

1. Annual Credit Allowance Available (Current Taxable Year) _____

2. Annual Credit Allowance Applied _____

3. Rebate Credit Available (Current Taxable Year) _____

4. Rebate Credit Carried Forward from Prior Years _____

5. Rebate Credit Applied < _____ >

6. Rebate Credit Available for Carryforward _____

7. Deferred Credit _____

8. Deferred Credit Applied (Not available until years 11, 12, and 13) < _____ >

NOTE: Attach schedule of taxable year(s) and amount(s).

9. Free-Up Credit _____

10. Free-Up Credit Applied < _____ >

Part VIII - DEFERRED CREDIT UTILIZATION SCHEDULE

Section 1. - Recap

[illegible]

*** For multiple-year projects only. Enter an amount only if the credit attributable to first year investment was completely exhausted.**

**** For multiple-year projects only. Enter an amount only if the credit attributable to first and second year investment was completely exhausted.**

*** Total should equal amount reported in prior year on Form W-2/BCS-1, Part VII, Section 1.

NAME

IDENTIFICATION NUMBER

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NAME

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PART IX - ADDITIONAL REQUIRED INFORMATION

1. Was there a premature disposition of any qualified investment property, owned or leased by the taxpayer, during the taxable year? _____ Yes _____ No

If the answer is yes, attach a schedule identifying the property; date it was acquired; date of its disposition; its cost; the amount of qualified investment allowed with respect to such property and the reason for the disposition of the property before the end of the 4th, 6th, 8th or 10th year, as appropriate.

2. Was the new or expanded business facility, for which credit was allowed, sold or otherwise conveyed to another person or legal entity during the taxable year? _____ Yes _____ No

(a) If yes, identify the new business, name, mailing address, and identification number, if either is different from that listed on the front of the tax return with which this schedule is filed.

(b) Was this a mere change in form of doing business? _____ Yes _____ No

(c) Was the transfer or sale to a successor? _____ Yes _____ No

Date of transfer or sale: _____

Name of new owner: _____

Mailing address of new owner: _____

Identification number: _____

(d) Is credit being claimed with respect to a certified project? _____ Yes _____ No

3. Has an application for certification of the project been filed with and approved by the West Virginia Tax Commissioner? _____ Yes _____ No

(a) If no, credit is not allowable for a certified project.

(b) If yes, identify the name of each participant in the project; location of the project's primary qualified investment and your share of the project's credit.

Participants' Names	Primary Location of Project	Share of Project's Credit

- (c) If yes, was there a premature disposition or cessation of use of the project's qualified investment property during the taxable year? _____ Yes _____ No

If yes, identify the property and the names of the project participant who owned or leased it.

Project's qualified investment property: _____

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ADDITIONAL REQUIRED INFORMATION (CONTINUED)

Owner/Lessee: _____

(d) What is the new jobs percentage being claimed for the project? _____
(See Part III).

(e) Was the threshold level of new jobs, necessary to sustain the project's new job percentage, maintained during the taxable year? ____ Yes ____ No