

YES



Powered by an evolving cluster of innovative researchers and practitioners... West Virginia's technology industry

West Virginia's Tech Ecosystem

Innovation grows and thrives within the fabrics of West Virginia's tech ecosystem. This web, which is composed of our higher education and community college systems, industry, high-tech parks, and our tech-focused accelerators and partners, helps to support and generate enormous economic value. The technology industry has a \$2.5 billion economic impact on the state. Additionally, West Virginia has access to various sources of funding to spur and support entrepreneurship and startup activity.

Access to a diverse pool of labor

Information technology related educational programs stem from our four-year institutions, community colleges and workforce training programs. There are 35 higher education IT programs offered throughout the State.

A mecca for federal agencies

NASA, The National Oceanic and Atmospheric Administration, the United States Department of Defense, the United States Treasury Department, the United States Department of Justice, and the National Institute for Occupational Safety and Health are just a few of the federal agencies that have located to West Virginia. Our region offers substantial annual contracting opportunities for agencies and related businesses and the ability to locate close to these federal assets.

Sandbox Legislation

During the 2020 Legislative Session, House Bill 4621 was passed, which implements a regulatory sandbox to enable entities that would normally require licensure in West Virginia to test an innovative financial product or service for a limited period of 24 months. After the end of the sandbox period, if the test of the product or service has been deemed successful, the entity would be able to continue operating in West Virginia subject to any licensure requirements at that time. The program is intended to encourage start up activities and entrepreneurship. The Act places responsibility for regulatory management within the Division of Financial Institutions.

DEVELOPMENT ASSISTANCE

High Wage Growth Jobs Credit: For jobs created in West Virginia by an eligible employer on or after July 1, 2020. The employer must:

- Be registered to do business in West Virginia,
- Offer health benefits to all full-time eligible employee,
- Maintain a net overall increase in West Virginia employment during the credit period, and
- Have a net overall increase of employment of at least 10 new high-wage jobs held by West Virginia residents,
- Certify the employer pays at least 50% of employee health care premiums.

Credit eligibility is certified by the West Virginia Development Office, which may authorize no more than \$5M of the credit during any WV fiscal year. Credit awarded to a taxpayer in any tax year may not exceed 10% of salaries of the new high-wage jobs. Credit is applied against Corporation Net Income Tax and Personal Income Tax derived from pass through income from a qualified business. Credit refund may not exceed \$100,000 per taxpayer. Unused credit may carry forward up to 10 years.

High Technology Valuation Act (Data Centers): Tangible personal property, including servers, directly used in a high-technology business or in an Internet advertising business, is valued for property tax purposes at 5% of the original cost of the property. Also, there is a sales tax exemption for all purchases of prewritten computer software, computers, computer hardware, servers, building materials and tangible personal property for direct use in a qualified high-technology business or internet advertising business.

Research and Development Sales Tax Exemption: Purchases of tangible personal property and services directly used in research and development are exempt from the consumer sales tax.

High-Tech Manufacturing Credit: Businesses that manufacture certain computers and peripheral equipment, electronic components or semi-conductors and which create at least 20 new jobs within one year after placement of qualified investment into service, can receive a tax credit to offset 100% of the corporate net income tax, and personal income tax on certain pass through income for 20 consecutive years. Jobs must have a median compensation of \$55,800 (for 2020), adjusted for inflation each year.



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