

ORDINANCE NO. 293

AN ORDINANCE TO AMEND CITY CODE 7-21;  
PROVIDING FOR JOB RELATED TAX CREDIT

THE CITY OF MANNINGTON HEREBY ORDAINS THAT:

1. AMENDMENT: Section 7-21 of the City Code is hereby amended in its entirety to read as follows:

SECTION 7-21, JOB RELATED CREDIT.

- a. Purpose. In order to encourage the location of new industry within this City and the expansion of existing industry within this City and thereby increase employment, there is hereby provided a business and expansion tax credit for business expansion resulting in new jobs with the City limits.
- b. Definitions. When used in this section:
  1. "Industrial taxpayer" means any person liable for tax under this article exercising any privilege taxable under Section 7-11, Service Business or Calling (a).
  2. "Employees" means any persons constructively working for wage, salary or commission at, or based out of, the Mannington business site.
  3. "Full time" means employed at least thirty-five hours per week.
  4. Any other term used in this section shall have the same meaning as when used in comparable context in this article, unless a different meaning is clearly required by the context or by definition in this section.
- c. Amount of Credit Allowed. There shall be allowed to taxpayers a credit against the business and occupation tax imposed by this article. The allowable credit will be measured by the number of new jobs provided in the City and the type of business pursued.
  1. Prerequisites. There are two prerequisites that must be met before a credit will be allowed. First, the taxpayer must show to the Mayor that the privilege to be engaged in is industrial as defined in subsection (b) (1) hereof. Second, the taxpayer must show to the Mayor that the business will have a reasonable capability of enduring for at least seven years and that a minimum number of employees will be working full-time during that entire seven year period.
  2. Computation. The amount of the credit will be a set percentage of the taxpayer's total City tax obligation under this article. The total credits allowed, however, for a single year or cumulatively, shall not exceed the total cost of the taxpayer's qualified investment or the tax obligation for that year.

Credit in excess of tax liability in one estimate period may be applied to the tax liability in other estimate periods in the same taxable year.

3. Measure of the Credit. The length of time that the credit is to be allowed and therefore the total credit allowable, subject only to the investment limitation in subsection (c)(2) hereof, is to be measured by the minimum number of jobs provided in the corporate City limits. As set forth below, the period of years for which a credit will be allowed is directly related to the minimum number of jobs guaranteed by the taxpayer. The period of the credit will not be extended if the taxpayer hires more employees than he has guaranteed the City unless there is a qualified investment to expand the business. The extension of time granted for such an expansion will be based only on the number of a new full-time jobs created by the expansion, not by the total number of employees.

<u>Category</u>	<u>New Jobs Created</u>	<u>B. &amp; O. Tax Credit</u>	<u>Percentage of Tax Credit</u>
1	25	1 year	100%
2	26-50	2 years	100%

If there is a partial year of operation when the business first begins operation, the credit will be prorated.

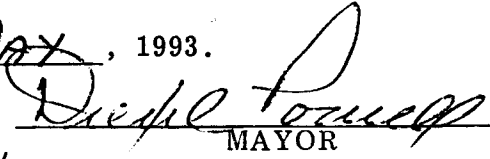
If a taxpayer should expand operations and provide at least five new jobs while operating under a pre-existing credit period there is no carryover of the new credit allowance to the expiration date of the existing credit. It is possible for two or more credits to operate concurrently, and result in more than one hundred percent credit for the taxpayer's tax obligation. Any credit in excess of the tax liability is not refundable and cannot be carried over into the next tax year.


e. Forfeiture of Credit. The employment of fewer workers than guaranteed to the City will cause the credit period, dating from the first day property was placed in service, to be shortened in relation to the lowest level of employment maintained, or terminated if the applicable credit period for that decreased employment level has run out or if employment drops below five full-time workers. Work stoppage and lay-offs approved by the Mayor, or caused by forces majeure, or severe economic depression which last less than three months will not affect the taxpayer's credit periods. However, systematic lay-offs by any taxpayer that for all essential purposes result in employment below the guaranteed level, as

determined by the Mayor will result in termination of all credit periods for that taxpayer.

2. EFFECTIVE DATE: Effective immediately.

PASSED this 17<sup>th</sup> day of May, 1993.

  
MAYOR

ATTEST:   
CITY CLERK