



## **Corporate Net Income Tax Reduction**

- **West Virginia's Corporate Net Income Tax is currently set at 6.5%, tied for 21<sup>st</sup> highest in the country. This rate is also higher than several of our border states:**
  - **Ohio – 0% (Does have a regressive but low gross receipts tax)**
  - **Kentucky – 5.0%**
  - **Virginia – 6.0%**
  - **Maryland – 8.25%**
  - **Pennsylvania – 8.49% (Currently on a glide path to 4.99%)**
- **Once Pennsylvania's phasedown is implemented, West Virginia's Corporate Net Income Tax will only be lower than Maryland for our border states.**
- **West Virginia's Corporate Net Income Tax is also somewhat unpredictable, with total collections greatly varying over the last several years:**
  - **FY 2024 - \$465,463,000**
  - **FY 2023 - \$419,965,000**
  - **FY 2022 - \$366,316,000**
  - **FY 2021 - \$320,487,000**
  - **FY 2020 - \$151,988,000**
  - **FY 2019 - \$198,032,000**
  - **FY 2018 - \$110,068,000**
  - **FY 2017 - \$116,306,000**
- **While recent years have produced strong revenue from this tax, it is difficult to depend on this source of tax revenue as it can be cyclical.**
- **West Virginia should begin to reduce the state's Corporate Net Income Tax to become more competitive with our neighboring states, and to ensure we are attractive to future investment.**