



**WEST
VIRGINIA'S
OPPORTUNITY
...*IS NOW***



PERSONAL INCOME TAX REPEAL PLAN



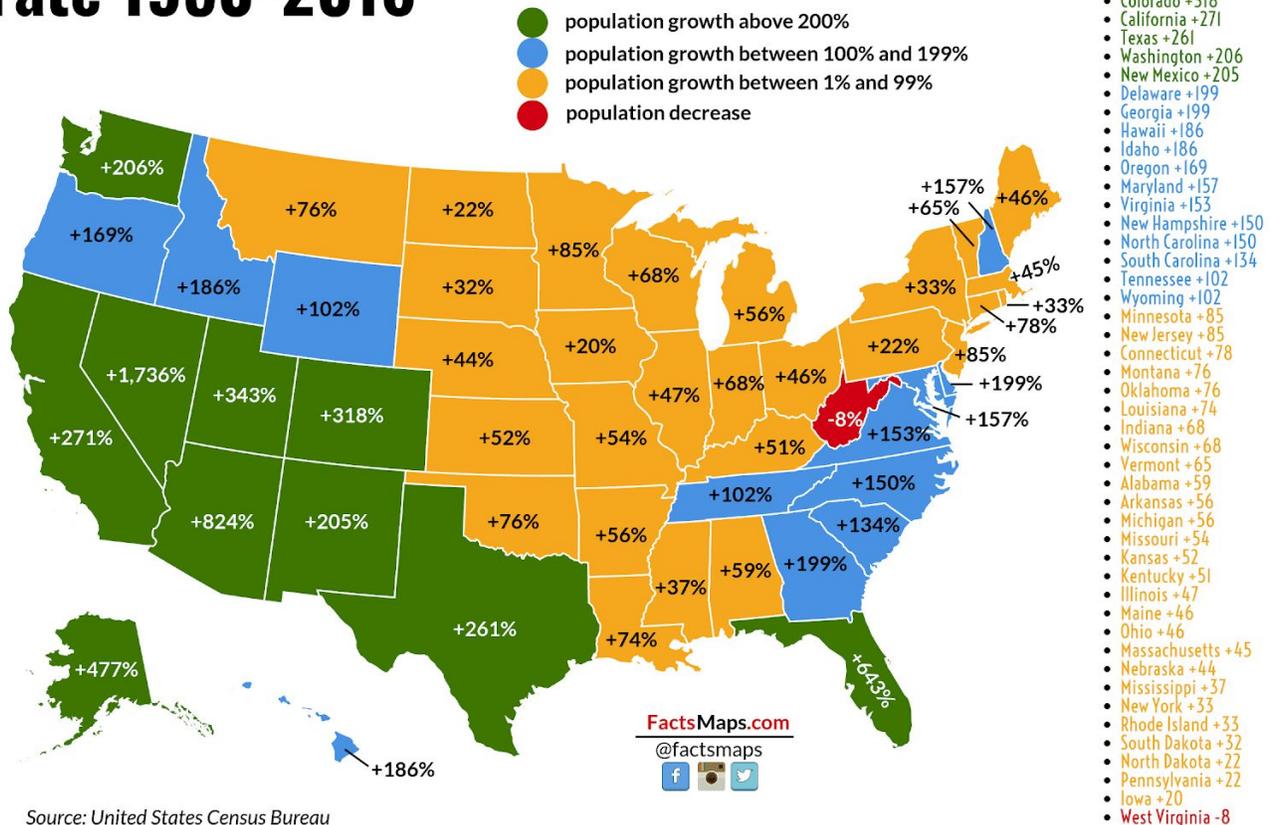
PERSONAL INCOME TAX REPEAL PLAN

My plan will seize a once-in-a-lifetime opportunity to transform West Virginia's tax structure; raising wages, raising home values, bringing in more businesses, more people, and making life better for all West Virginians.

-GOVERNOR JIM JUSTICE

70 YEARS OF DECLINE – NOW IS WEST VIRGINIA’S TIME TO CHANGE THIS

U.S. states by population growth rate 1950-2016

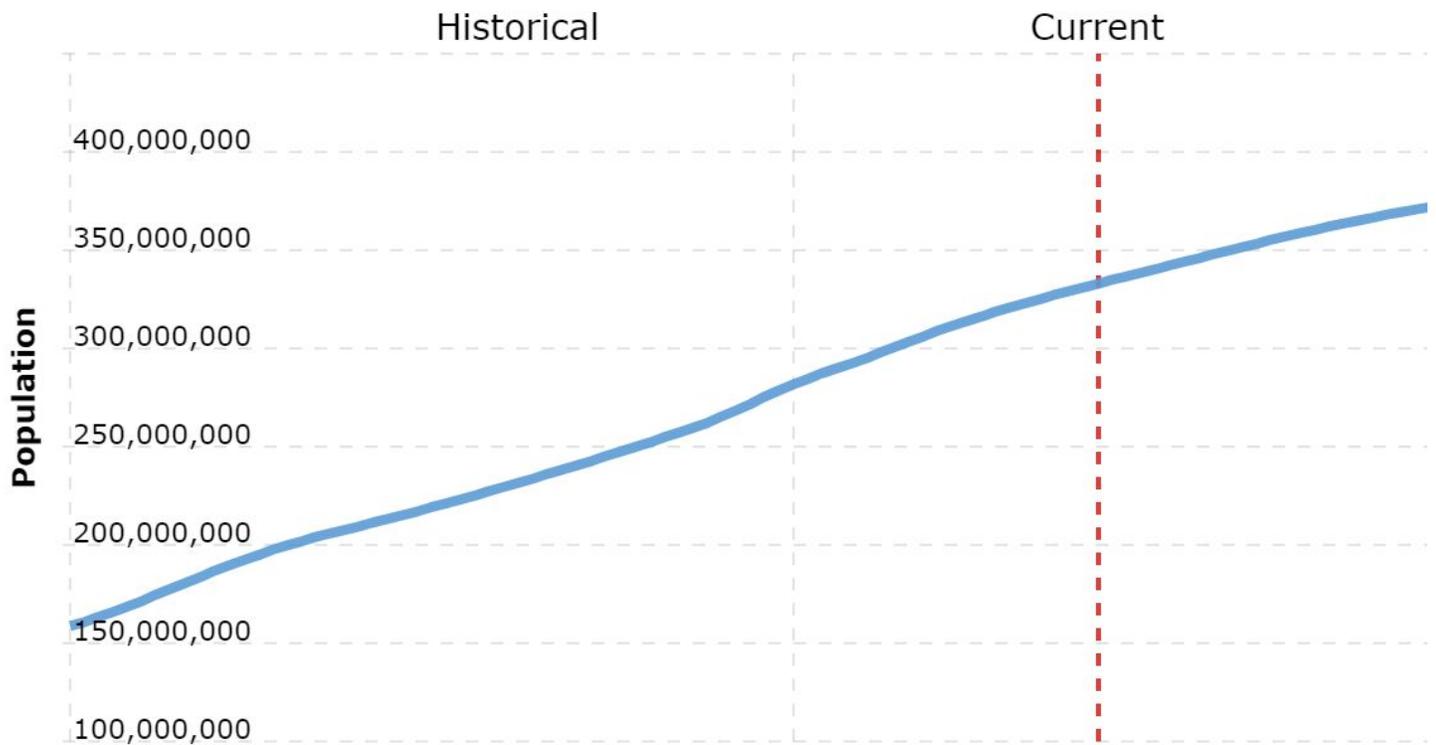


Source: United States Census Bureau

From 1950 to 2016, the total population of the United States **doubled**. In that same time frame, 49 of 50 states saw their population increase. The only state that lost population in that span was West Virginia.

Between 2010 and 2020, West Virginia’s population decreased by 3.8%: the steepest rate of population decline in the country.

From 2016 (the year the Legislature passed Right-To-Work and Prevailing Wage) through the end of Gov. Justice’s first term in 2020 – despite instituting programs like Roads To Prosperity, despite investing in our Tourism, despite record-breaking revenue growth, and more – West Virginia still lost 2.6% of its population.



United States population: 1950-Present

THE OPPORTUNITY IS NOW

“We may never have an opportunity like this ever again,” Gov. Justice said. “Because of how we’ve handled the COVID-19 pandemic – how we’ve saved lives, had the best vaccine program in the nation, and kept our economy on the move – the spotlight of the world is on West Virginia right now. This is the time to seize our opportunity!”

“We have all the building blocks in our state,” Gov. Justice continued. “We have an economy that’s truly on the launchpad, some of the greatest people you’ll find anywhere, who are smart, kind, faith-based, and hardworking people, along with four of the best seasons on Earth with more natural beauty than you could possibly imagine. But now we need to make a big move to put us over the top, so when people look at another population map 70 years from now, West Virginia will be right up there with the very top states in the country.”

“The last piece of this puzzle is the elimination of our personal income tax. That’s why I am proposing a plan to make this dream a reality starting with a 60% reduction in state income tax for year one.”

IMMEDIATE BENEFITS

West Virginia will become the first and only state in the mid-Atlantic or Northeast region to eliminate state income taxes.

The Governor's plan will enable all West Virginians to put more money in their pocket.

The plan will also encourage job growth and population growth, and raise wages in West Virginia because people and businesses want to locate in low-tax states. West Virginia is also in the perfect geographic location to attract jobs and people to our state. Two-thirds of the U.S. population is within a rocks throw of West Virginia.

Every West Virginian will benefit from the Governor's plan. All lower income brackets less than \$35,000 a year will receive a tax rebate check under the plan. Low income and high income taxpayers will all see a net positive benefit if this plan is enacted.

PULLING THE ROPE TOGETHER

"To truly make this work, we all need to pull the rope together as West Virginians," Gov. Justice said.

Pulling the rope together starts with changing the state consumer sales tax from 6.0% to 7.9%, while also adding a small, single-item luxury tax for certain high-value luxury items that only the very wealthy typically purchase. Under the Governor's proposal, professional services, such as legal and accounting services will pay the same tax rate as skilled trades like plumbers and electricians. The consumer sales tax base will be expanded to include computer hardware/software, legal services, accounting services, other professional services, selected advertising, electronic data processing, and health and fitness memberships. These professional services will see a very substantial increase in business as people on the outside begin to migrate to West Virginia.

For the first time since 1951, the tax on soft drinks will be changed. Additionally, taxes on tobacco products, beer, wine, and liquor will also be changed.

Gov. Justice's plan also calls for a tiering system to be put in place for natural gas, oil, and coal severance taxes so that when times are good, these companies throw a little more in the collection plate, and when times are bad, the state steps up and lowers severance tax so that their critical jobs are protected.

MORE MONEY IN EVERY WEST VIRGINIAN'S POCKET

Gov. Justice's plan puts more money in every West Virginian's pocket. For the lowest income earners, rebates will be offered so these individuals are not negatively impacted by the changing of certain taxes.

**Tax Changes
(No Alcohol, Tobacco or Lottery)**

| Household Income | Family Size | Current PIT | Reduced PIT | Decrease in PIT | Increased CST Tax Rate 7.9% | Increased Soft Drinks Tax to 6 cents | Rebate | This much more MONEY in your pocket |
|------------------|-------------|-------------|-------------|-----------------|-----------------------------|--------------------------------------|--------|-------------------------------------|
| \$ 10,000 | 1 | 0 | 0 | 0 | 79 | 13 | \$ 350 | \$ 258 |
| \$ 15,000 | 1 | 336 | 134 | 202 | 83 | 13 | \$ 200 | \$ 306 |
| \$ 20,000 | 2 | 540 | 216 | 324 | 166 | 27 | \$ 200 | \$ 332 |
| \$ 25,000 | 2 | 740 | 296 | 444 | 166 | 27 | \$ 100 | \$ 352 |
| \$ 30,000 | 3 | 860 | 344 | 516 | 186 | 40 | \$ 100 | \$ 390 |
| \$ 35,000 | 3 | 1,060 | 424 | 636 | 186 | 40 | \$ 50 | \$ 460 |
| \$ 40,000 | 3 | 1,305 | 522 | 783 | 224 | 40 | | \$ 519 |
| \$ 50,000 | 3 | 1,815 | 726 | 1,089 | 250 | 40 | | \$ 799 |
| \$ 60,000 | 3 | 2,415 | 966 | 1,449 | 250 | 40 | | \$ 1,159 |
| \$ 70,000 | 3 | 3,035 | 1,214 | 1,821 | 306 | 40 | | \$ 1,475 |
| \$ 80,000 | 3 | 3,615 | 1,446 | 2,169 | 306 | 40 | | \$ 1,823 |
| \$ 90,000 | 3 | 4,215 | 1,686 | 2,529 | 306 | 40 | | \$ 2,183 |
| \$ 100,000 | 3 | 4,815 | 1,926 | 2,889 | 391 | 40 | | \$ 2,458 |

3/4/21
8:00 a.m.

Tax Changes

| Household Income | Family Size | Current PIT | Reduced PIT | Decrease in PIT | Increased CST Tax Rate 7.9% | Increase for Tobacco Products | Increased Soft Drinks Tax to 6 cents | Increase for Beer, Wine & Liquor | Increase for CST on Lottery Tickets | Rebate |
|------------------|-------------|-------------|-------------|-----------------|-----------------------------|-------------------------------|--------------------------------------|----------------------------------|-------------------------------------|--------|
| \$ 10,000 | 1 | 0 | 0 | 0 | 79 | 46 | 13 | 18 | 8 | \$ 350 |
| \$ 15,000 | 1 | 336 | 134 | 202 | 83 | 46 | 13 | 18 | 8 | \$ 200 |
| \$ 20,000 | 2 | 540 | 216 | 324 | 166 | 76 | 27 | 36 | 8 | \$ 200 |
| \$ 25,000 | 2 | 740 | 296 | 444 | 166 | 76 | 27 | 36 | 8 | \$ 100 |
| \$ 30,000 | 3 | 860 | 344 | 516 | 186 | 79 | 40 | 55 | 15 | \$ 100 |
| \$ 35,000 | 3 | 1,060 | 424 | 636 | 186 | 79 | 40 | 55 | 15 | \$ 50 |
| \$ 40,000 | 3 | 1,305 | 522 | 783 | 224 | 81 | 40 | 60 | 15 | |
| \$ 50,000 | 3 | 1,815 | 726 | 1,089 | 250 | 88 | 40 | 63 | 15 | |
| \$ 60,000 | 3 | 2,415 | 966 | 1,449 | 250 | 88 | 40 | 63 | 15 | |
| \$ 70,000 | 3 | 3,035 | 1,214 | 1,821 | 306 | 96 | 40 | 91 | 15 | |
| \$ 80,000 | 3 | 3,615 | 1,446 | 2,169 | 306 | 96 | 40 | 91 | 15 | |
| \$ 90,000 | 3 | 4,215 | 1,686 | 2,529 | 306 | 96 | 40 | 91 | 15 | |
| \$ 100,000 | 3 | 4,815 | 1,926 | 2,889 | 391 | 75 | 40 | 129 | 15 | |

This much more MONEY in your pocket

\$ 186

\$ 234

\$ 212

\$ 232

\$ 240

\$ 310

\$ 362

\$ 632

\$ 992

\$ 1,273

\$ 1,621

\$ 1,981

\$ 2,239

3/4/21
8:00 a.m.

PERSONAL INCOME TAX REPEAL PLAN

Bill Abstract

Reduce State income tax brackets as follows:

- Tax rates for all filers reduced by 60%
- Will reduce PIT by 60% (\$1,035,650,000) on income earned from:
 - Wages and Salaries
 - Pensions, Annuities, IRAs, Social Security & Unemployment
- The reduction excludes income earned from the following:
 - Schedule C Business Profits
 - Schedule E Rents, Royalties and Pass-Through Entity Profits
 - Schedule D Capital Gains
 - Schedule F Farm Income
 - Supplemental Gains and Losses
 - Taxable Interest Income
 - Dividend Income
 - Miscellaneous Income
- Will rebate \$52,000,000 of PIT

- Change State consumer sales tax from 6.0% to 7.9%
\$475,000,000
- Expand CST base to include:
\$180,000,000
 - Computer hardware/software
 - Legal services
 - Accounting services
 - Other professional services
 - Selected advertising
 - Electronic data processing
 - Health and fitness memberships
 - Sales of lottery tickets
- Create luxury items tax for certain specified items
\$20,000,000

| FROM | TO | TAX RATE |
|------------------|-------------|----------|
| \$5,000 | \$10,000 | 3.0% |
| Above \$10,000 | \$30,000 | 2.75% |
| Above \$30,000 | \$100,000 | 2.50% |
| Above \$100,000 | \$500,000 | 2.25% |
| Above \$500,000 | \$1,000,000 | 1.75% |
| Over \$1,000,000 | | 1.0% |

- Change natural gas severance tax from 5% to the following tiered rates: \$12,500,000

| | |
|------------------|------|
| Less than \$0.85 | 4.0% |
| \$0.85 - \$1.29 | 5.0% |
| \$1.30 - \$1.79 | 6.0% |
| \$1.80 - \$2.49 | 6.5% |
| Above \$2.50 | 7.0% |

- Change wet gas severance tax from 5% to 6.5%: \$5,000,000
- Change the coal thin seam severance tax rates from 1.0% or 2.0% to the following tiered structure: \$7,500,000

< 37"

| Price Per Ton | Tax Rate |
|-------------------|----------|
| Under \$65.00 | 0.75% |
| \$65 to \$84.99 | 1.0% |
| \$85 to \$104.99 | 1.5% |
| \$105 to \$124.99 | 2.0% |
| \$125 to \$174.99 | 3.0% |
| Above \$175 | 4.0% |

37" to 45"

| Price Per Ton | Tax Rate |
|-------------------|----------|
| Under \$65.00 | 1.5% |
| \$65 to \$84.99 | 2.0% |
| \$85 to \$104.99 | 2.5% |
| \$105 to \$124.99 | 3.0% |
| \$125 to \$174.99 | 4.0% |
| Above \$175 | 5.0% |

- Change the coal severance tax from 3.0% on steam and 5% on met and other coal to the following tiered rates: \$16,000,000

MET AND OTHER NON-STEAM COAL

| Price Per Ton | Tax Rate |
|-------------------|----------|
| Under \$65.00 | 4.0% |
| \$65 to \$84.99 | 5.0% |
| \$85 to \$104.99 | 5.5% |
| \$105 to \$124.99 | 6.0% |
| \$125 to \$174.99 | 6.5% |
| Above \$175 | 7.0% |

STEAM COAL

| Price Per Ton | Tax Rate |
|--------------------|----------|
| Under \$35.00 | 2.0% |
| \$35.00 to \$52.99 | 3.0% |
| \$53.00 to \$59.99 | 3.5% |
| \$60.00 to \$69.99 | 4.0% |
| \$70.00 to \$79.99 | 5.0% |
| \$80.00 to \$89.99 | 6.0% |
| Above \$90.00 | 7.0% |

- Change oil severance tax from 5% to the following tiered rates: \$1,000,000

| | |
|-------------------|------|
| Less than \$35.00 | 4.0% |
| \$35 - \$54.99 | 5.0% |
| \$55 - \$67.99 | 5.5% |
| \$68 - \$89.99 | 6.0% |
| \$90 and above | 7.0% |

- Change the cigarette tax to \$2.25 per pack
\$70,000,000
- Change other tobacco products tax to 19.5% of wholesale prices \$8,200,000
- Change E-cigarette tax to 75 cents per milliliter
\$8,000,000
- Change beer barrel tax to \$29.25 per barrel
\$26,000,000
- Change wine tax to \$4.00 per gallon
\$5,500,000
- Change liquor wholesale mark-up to 39.25%
\$5,400,000
- Change soft drink taxes as follows: \$62,500,000
 - 6 cents per 16.9 fluid ounce or fraction thereof
 - \$4.80 per gallon on syrup
 - 6 cents per each 28.35 grams of dry mixture

Lowering taxes by 17%

TOTAL TAX INCREASE: \$ 902,600,000

Total Tax Reduction \$1,035,650,000

Plus Rebate Checks 52,000,000

TOTAL TAX REDUCTION

\$1,087,650,000

OPTIONS TO CONSIDER

| | | |
|---|----|------------|
| Senate Proposed Reductions | \$ | 25,000,000 |
| Reductions of General Fund payroll due to employment attrition | | 10,000,000 |
| Projected Annual Revenue Growth | | 60,000,000 |



NOW CLOSE YOUR EYES

- More money in your pocket!
- More jobs, jobs, jobs
- Higher wages
- Your home value significantly increases
- Your personal income tax obligation goes to zero
- Population growth in West Virginia soars
- Business opportunity takes off like a rocket ship
- Disney World may become a reality for West Virginia

NOW OPEN YOUR EYES

THIS IS OUR **OPPORTUNITY** IN
WEST VIRGINIA NOW!