

RECIPROCAL INCOME TAX AGREEMENT
BETWEEN
STATE OF WEST VIRGINIA
AND
COMMONWEALTH OF VIRGINIA

I. STATEMENT OF PURPOSE.

It is the intention of this agreement and the parties hereto:

A. To relieve employers and employees in the State of West Virginia and the Commonwealth of Virginia from the withholding of Virginia income tax on compensation paid in Virginia to domiciliary residents of West Virginia, and from the withholding of West Virginia income tax on compensation paid in West Virginia to domiciliary residents of Virginia;

B. To relieve West Virginia domiciliary residents from liability for Virginia income tax and the requirement for filing a tax return with regard to compensation paid in Virginia;

C. To relieve Virginia domiciliary residents from liability for West Virginia income tax and the requirement for filing a tax return with regard to compensation paid in West Virginia;

D. To establish procedures to assist each party in the enforcement of the withholding provisions of the income tax laws of his state against employers in the other party's state;

E. To establish procedures for the interchange of state tax information between the parties to assist each party in the administration and enforcement of their respective income tax laws.

II. AGREEMENTS.

In furtherance of their above stated intention, the parties agree as follows:

A. Agreements respecting withholding.

1. No Virginia employer shall be required to withhold Virginia income tax from compensation paid in Virginia to a domiciliary resident of West Virginia who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.

2. No West Virginia employer shall be required to withhold West Virginia income tax from compensation paid in West Virginia to a domiciliary resident of Virginia who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.

3. Every West Virginia employer shall, to the extent provided by the Virginia income tax laws, be liable to the State of Virginia for the withholding of Virginia income tax from compensation paid in West Virginia to residents of Virginia.

4. Every Virginia employer shall, to the extent provided by the West Virginia income tax laws, be liable to the State of West Virginia

for the withholding of West Virginia individual income tax from compensation paid in Virginia to residents of West Virginia.

5. Virginia will encourage Virginia employers to withhold and remit West Virginia income tax for domiciliary residents of West Virginia employed in Virginia.

6. West Virginia will encourage West Virginia employers to withhold and remit Virginia income tax for domiciliary residents of Virginia employed in West Virginia.

7. For purposes of this agreement, "compensation paid in Virginia" is compensation as described in Article 1, Section 58 of the Code of Virginia.

8. For purposes of this agreement, "compensation paid in West Virginia" is compensation as described in Chapter 11, Article 21, Section 41 of the West Virginia Code.

9. For purposes of this agreement, the term "West Virginia employer" means an employer who is subject to the jurisdiction of the State of West Virginia, and the term "Virginia employer" means an employer who is subject to the jurisdiction of the State of Virginia.

B. Agreements respecting liability for individual income tax, tax return filing and credit for resident state's tax.

1. No West Virginia domiciliary resident who signs a Virginia certificate of nonresidence shall be required to pay Virginia income tax or to file a Virginia income tax return on compensation paid in Virginia.

2. No Virginia domiciliary resident who signs a West Virginia certificate of nonresidence shall be required to pay West Virginia income tax or to file a West Virginia income tax return on compensation paid in West Virginia.

3. For purposes of this agreement, the term "West Virginia domiciliary resident" means an individual who is a West Virginia resident whose domicile is in West Virginia, and the term "Virginia domiciliary resident" means an individual who is a Virginia resident whose domicile is in Virginia, and the terms "domicile" and "resident" have the meanings ascribed to them by the income tax laws of the respective jurisdiction.

4. Nothing in this agreement shall be interpreted to exempt a domiciliary resident of West Virginia or Virginia who was a part-year domiciliary resident of the other state from liability for payment of income tax or filing an income tax return with regard to compensation received while a resident of the other state.

5. Nothing in this agreement shall be interpreted to exempt a domiciliary resident of West Virginia or Virginia who has taxable income in the state of nonresidence other than in the form of compensation from liability for payment of income tax or filing an income tax return with regard to such other taxable income. If such return is required, any credit for taxes paid to the state of residence shall be taken on the nonresident tax return.

6. Virginia and West Virginia shall each allow nonresidents who are domiciliary residents of the other state, and who have income subject to the income tax of each jurisdiction, a tax credit for income tax imposed by the state of residence. The credit shall be allowed to nonresident individuals and to nonresident estates and trusts having income from sources within the other state. The credit allowed to such

nonresident estates and trusts shall be computed in the same manner, and subjected to the same limitations, as for nonresident individuals.

The credit shall apply only to net income tax imposed by the state, and will not apply to any other tax imposed by the state or to any tax imposed by any subordinate political subdivision of the state.

The credit shall be limited to the portion of the tax imposed by the state of nonresidence which is attributable to the income which is also subjected to tax by the state of residence.

C. Agreements respecting exchanges of information.

1. Each of the parties hereto agrees to furnish the other with the following information at such time or times and in such manner as may be agreed upon between them; provided, that such information will be used only to the extent necessary for the enforcement of tax laws and for the assessment and collection of taxes.

(a) The state income tax return and information relating thereto of each individual filing an income tax or information return in such party's state, which shows any mailing or residential address for such individual in the other party's state, or otherwise upon request by the other party.

(b) The amount of income tax shown as due on each return referred to in subparagraph 1 of this section.

(c) The amount and nature of any adjustments made in any item affecting the tax liability of the individual in such party's state.

(d) Such other information as the parties hereto may from time to time agree upon and as shall be set forth in writing and appended hereto.

(e) Copies of certificates of nonresidency filed by each individual claiming residency within the other party's jurisdiction, if such certificates are available to the party.

2. The parties to this agreement shall designate in writing the personnel authorized to request and receive tax information under the terms of this agreement. Neither party shall be obligated to furnish information to personnel who are not so designated.

Upon the occurrence of any change in employment, position, duties, or other relevant matters which affect a designated person's right or authority to request or receive information under this agreement, the West Virginia State Tax Commissioner or the State Tax Commissioner of the Commonwealth of Virginia, whichever is appropriate, shall promptly give notice of such fact to the other party to this agreement.

No information received by either party from the Internal Revenue Service or information identifying a confidential informant or which would seriously impair any civil or criminal investigation shall be exchanged under this agreement.

Nothing contained herein shall be construed to prevent the use of tax information obtained by virtue of this agreement by non-designated personnel of either party, for official purposes, after such tax information has been received by the designated personnel of said party.

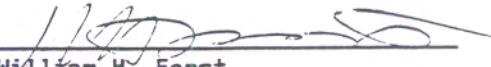
III. OTHER MATTERS.

A. If for any reason either party is unable to comply with any one or more of the terms of this agreement, the parties shall mutually agree on the extent to which this agreement shall continue in effect or, in the absence of such mutual agreement, this agreement shall become null and void in its entirety without prejudice to any action previously taken hereunder.


B. Each of the parties signatory hereto hereby states and represents that he is authorized to enter into this agreement and to furnish the information and assistance contemplated hereby, and that the fulfillment of his obligations hereunder will not violate any provision of his state's constitution or laws, including, without limitation, provisions respecting confidentiality of state information.

IV. Effective date.

This agreement is made this 20th day of October, 1988, and shall become effective and operative upon the parties with respect to taxable years beginning after December 31, 1987.



William H. Forst
Tax Commissioner
Commonwealth of Virginia



Michael E. Caryl
Tax Commissioner
State of West Virginia

ADDENDUM TO THE
RECIPROCAL INCOME TAX AGREEMENT
BETWEEN
STATE OF WEST VIRGINIA
AND
COMMONWEALTH OF VIRGINIA

1. Page 2, Section II (A)(7) - Substitute:

7. For purposes of this agreement, "compensation paid in Virginia" is compensation as described in Article 1 of Chapter 3 of Title 58.1 of the Code of Virginia.

2. Page 2, Section II (A)(9) - Substitute:

9. For purposes of this agreement, the term "West Virginia employer" means an employer who is subject to the jurisdiction of the State of West Virginia, and the term "Virginia employer" means an employer who is subject to the jurisdiction of the Commonwealth of Virginia.

3. Page 3, Section II (C)(2) - Pursuant to this agreement, the following personnel employed by the Virginia Department of Taxation are authorized to request and to receive tax information:

Tax Commissioner
Any Deputy Tax Commissioner
Any Assistant Tax Commissioner
Any Division Director
Any Assistant Division Director

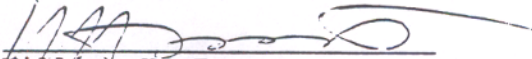
4. Page 3, Part II (C)(2), second paragraph - Substitute:

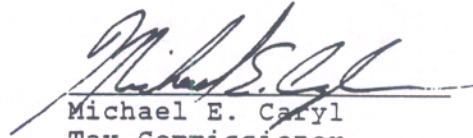
Upon the occurrence of any change in employment, position, duties, or other relevant matters which affect a designated person's right or authority to request information under this agreement, the West Virginia State Tax Commissioner or the Tax Commissioner of the Commonwealth of Virginia, whichever is appropriate, shall promptly give notice of such fact to the other party to this agreement.

5. Page 4, Part IV, Effective date - Substitute:

This agreement is made this 20th day of October, 1988. The provisions with respect to Section II (A) shall be effective for taxable years beginning after December 31, 1988. All other provisions shall be effective to taxable years beginning after December 31, 1987.

APPROVED:


William H. Forst
Tax Commissioner
Commonwealth of Virginia


Michael E. Caryl
Tax Commissioner
State of West Virginia