

H. B. 2245

(By Delegates Givens, Ennis, Frazier, Iaquina, Azinger
and Ferro)

[Introduced January 12, 2011; referred to the
Committee on Pensions and Retirement then Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §11-21-12j, relating
to the personal income tax; specifying that federal civil
service system retirement income derived from military
retirement system pensions that have been converted to federal
civil service system pensions is treated as military
retirement income for purposes of the modifications to federal
adjusted gross income set forth in article twenty-one, chapter
eleven of this code.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended
by adding thereto a new section, designated §11-21-12j, to read as
follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12j. Income derived from military retirement system

1 pensions converted to federal civil service

2 pensions.

3 For taxable years beginning after December 31, 2010, that
4 portion of federal civil service income that is derived from
5 conversion of a federal military retirement system pension to a
6 federal civil service pension or annuity pursuant to a lawful
7 conversion thereof as allowed under federal law, is treated as
8 military retirement income for purposes of the modifications
9 authorized under section twelve of this article. For purposes of
10 this section the term "federal military retirement system" means
11 any retirement pension system designed for payment of any form of
12 military retirement income, including retirement income paid to
13 regular Armed Forces, Reserves and National Guard, and including
14 any survivorship annuities derived therefrom.

NOTE: The purpose of this bill is to amend the West Virginia personal income tax to cause federal civil service system pension income derived from military retirement system pensions that have been converted into federal civil service system pensions to have the same decreasing modification treatment as military retirement system income.

This section is new; therefore, it has been completely underscored.