1	Senate Bill No. 184
2	(By Senators Kessler (Mr. President) and M. Hall,
3	By Request of the Executive)
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5	[Introduced February 15, 2013; referred to the Committee on
6	Finance.]
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10	A BILL to amend and reenact $\$11-21-9$ of the Code of West Virginia,
11	1931, as amended, relating to updating the meaning of "federal
12	adjusted gross income" and certain other terms used in the
13	West Virginia Personal Income Tax Act so the definitions
14	conform with the Internal Revenue Code's definitions; and
15	specifying effective dates.
16	Be it enacted by the Legislature of West Virginia:
17	That §11-21-9 of the Code of West Virginia, 1931, as amended,
18	be amended and reenacted to read as follows:
19	ARTICLE 21. PERSONAL INCOME TAX.
20	§11-21-9. Meaning of terms.
21	(a) Any term used in this article has the same meaning as when
22	used in a comparable context in the laws of the United States
23	relating to income taxes, unless a different meaning is clearly

- 1 required. Any reference in this article to the laws of the United 2 States means the provisions of the Internal Revenue Code of 1986, 3 as amended, and any other provisions of the laws of the United 4 States that relate to the determination of income for federal 5 income tax purposes. All amendments made to the laws of the United 6 States after December 31, 2010, January 1, 2012, but prior to 7 January 1, 2012, 3, 2013, shall be given effect in determining the 8 taxes imposed by this article to the same extent those changes are 9 allowed for federal income tax purposes, whether the changes are 10 retroactive or prospective, but no amendment to the laws of the 11 United States made on or after January 1, 2012, 3, 2013, shall be 12 given any effect.
- (b) Medical savings accounts. -- The term "taxable trust" does 14 not include a medical savings account established pursuant to 15 section twenty, article fifteen, chapter thirty-three of this code 16 or section fifteen, article sixteen of said chapter. Employer 17 contributions to a medical savings account established pursuant to 18 said sections are not wages for purposes of withholding under 19 section seventy-one of this article.
- (c) Surtax. -- The term "surtax" means the twenty percent additional tax imposed on taxable withdrawals from a medical savings account under section twenty, article fifteen, chapter thirty-three of this code and the twenty percent additional tax

- 1 imposed on taxable withdrawals from a medical savings account under
- 2 section fifteen, article sixteen of said chapter which are
- 3 collected by the Tax Commissioner as tax collected under this
- 4 article.
- 5 (d) Effective date. -- The amendments to this section enacted
- 6 in the year 2012 2013 are retroactive to the extent allowable under
- 7 federal income tax law. With respect to taxable years that began
- 8 prior to January 1, <del>2013,</del> 2014, the law in effect for each of those
- 9 years shall be fully preserved as to that year, except as provided
- 10 in this section.
- 11 (e) For purposes of the refundable credit allowed to a low
- 12 income senior citizen for property tax paid on his or her homestead
- 13 in this state, the term "laws of the United States" as used in
- 14 subsection (a) of this section means and includes the term "low
- 15 income" as defined in subsection (b), section twenty-one of this
- 16 article and as reflected in the poverty guidelines updated
- 17 periodically in the federal register by the U.S. Department of
- 18 Health and Human Services under the authority of 42 U.S.C.
- 19 §9902(2).

NOTE: The purpose of this bill is to update the meaning of federal adjusted gross income and certain other terms used in the West Virginia Personal Income Tax Act by bringing them into conformity with their meaning for Internal Revenue Code's definitions; and specifying effective dates.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.