

ENROLLED

H. B. 2114

(By Mr. Speaker, (Mr. Armstead) and Delegate Miley)

[By Request of the Executive]

[Passed February 17, 2015; in effect from passage.]

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11 AN ACT to amend and reenact §11-21-9 of the Code of West Virginia, 1931, as amended, relating
12 to updating the meaning of federal adjusted gross income and certain other terms used in the
13 West Virginia Personal Income Tax Act; and specifying effective dates.

14 *Be it enacted by the Legislature of West Virginia:*

15 That §11-21-9 of the Code of West Virginia, 1931, as amended, be amended and reenacted
16 to read as follows:

17 **ARTICLE 21. WEST VIRGINIA PERSONAL INCOME TAX.**

18 **§11-21-9. Meaning of terms.**

19 (a) Any term used in this article has the same meaning as when used in a comparable context
20 in the laws of the United States relating to income taxes, unless a different meaning is clearly
21 required. Any reference in this article to the laws of the United States means the provisions of the
22 Internal Revenue Code of 1986, as amended, and any other provisions of the laws of the United

1 States that relate to the determination of income for federal income tax purposes. All amendments
2 made to the laws of the United States after December 31, 2013, but prior to January 1, 2015, shall
3 be given effect in determining the taxes imposed by this article to the same extent those changes are
4 allowed for federal income tax purposes, whether the changes are retroactive or prospective, but no
5 amendment to the laws of the United States made on or after January 1, 2015, may be given any
6 effect.

7 **(b) Medical savings accounts.** -- The term "taxable trust" does not include a medical savings
8 account established pursuant to section twenty, article fifteen, chapter thirty-three of this code or
9 section fifteen, article sixteen of that chapter. Employer contributions to a medical savings account
10 established pursuant to those sections are not wages for purposes of withholding under section
11 seventy-one of this article.

12 **(c) Surtax.** -- The term "surtax" means the twenty percent additional tax imposed on taxable
13 withdrawals from a medical savings account under section twenty, article fifteen, chapter thirty-three
14 of this code and the twenty percent additional tax imposed on taxable withdrawals from a medical
15 savings account under section fifteen, article sixteen of that chapter which are collected by the Tax
16 Commissioner as tax collected under this article.

17 **(d) Effective date.** -- The amendments to this section enacted in the year 2015 are retroactive
18 to the extent allowable under federal income tax law. With respect to taxable years that began prior
19 to January 1, 2016, the law in effect for each of those years shall be fully preserved as to that year,
20 except as provided in this section.

21 **(e)** For purposes of the refundable credit allowed to a low income senior citizen for property
22 tax paid on his or her homestead in this state, the term "laws of the United States" as used in

1 subsection (a) of this section means and includes the term "low income" as defined in subsection (b),
2 section twenty-one of this article and as reflected in the poverty guidelines updated periodically in
3 the federal register by the U.S. Department of Health and Human Services under the authority of 42
4 U.S.C. § 9902(2).