

**H. B. 2622**

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(By Delegates Kurcaba., Hill, Householder, R. Smith, Espinosa,  
Moffatt, Pasdon, Ashley, Wagner, E. Nelson and Cadle)

[Introduced February 5, 2015; referred to the  
Committee on Finance.]

**FISCAL  
NOTE**

10 A BILL to amend and reenact §11-21-12a of the Code of West Virginia, 1931, as amended, and to  
11 amend and reenact §18-30-9 of said code, all relating to deductions from personal income  
12 tax for contributions to state-administered prepaid college tuition contracts or college savings  
13 plans; and limiting the deductions to contributions made for beneficiaries who are eighteen  
14 years of age or younger.

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

16 That §11-21-12a of the Code of West Virginia, 1931, as amended, be amended and  
17 reenacted; and that §18-30-9 of said code be amended and reenacted, all to read as follows:

18 **CHAPTER 11. TAXATION.**

19 **ARTICLE 21. PERSONAL INCOME TAX.**

20 **§11-21-12a. Additional modification reducing federal adjusted gross income.**

21 In addition to amounts authorized to be subtracted from federal adjusted gross income  
22 pursuant to subsection (c), section twelve of this article, any payment on behalf of a beneficiary who  
23 is eighteen years of age or less at the time of the payment made under a prepaid tuition contract or

1 other college savings plan administered by the board of the college prepaid tuition and savings  
2 program, pursuant to article thirty, chapter eighteen of this code, is also an authorized modification  
3 reducing federal adjusted gross income, but only to the extent the amount is not allowable as a  
4 deduction when arriving at the taxpayer's federal adjusted gross income for the taxable year in which  
5 the payment is made. This modification is available regardless of the type of return form filed. The  
6 taxpayer may also elect to carry forward the modification over a period not to exceed five taxable  
7 years, beginning in the taxable year in which the payment was made.

## 8 **CHAPTER 18. EDUCATION.**

### 9 **ARTICLE 30. WEST VIRGINIA COLLEGE PREPAID TUITION AND SAVINGS**

#### 10 **PROGRAM ACT.**

##### 11 **§18-30-9. Income tax deduction for purchasers.**

12 As provided in section twelve-a, article twenty-one, chapter eleven of this code, any payment  
13 made under a prepaid tuition contract or other college savings plan administered by the board,  
14 pursuant to the provisions of this article, is eligible for a ~~tax~~ deduction from personal income tax,  
15 but only when the designated beneficiary of the contract or plan is eighteen years of age or younger  
16 at the time the payment is made.

NOTE: The purpose of this bill is to limit the personal income tax deduction for Smart 529 plan contributions to those payments made when the designated beneficiary is eighteen years of age or younger.

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