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H. B. 2687

(By Delegates Sponaugle, L. Phillips, H. White, Williams, Guthrie,
Perdue, Reynolds, Hartman, Fluharty, Trecost and Moore)

[Introduced February 10, 2015; referred to the
Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-21-16 of the Code of West Virginia, 1931, as amended, relating to personal income taxes; and making the personal exemptions for purposes of West Virginia's personal income tax the same as allowed for federal income tax purposes.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-16. West Virginia personal exemptions of resident individual.

~~(a) General. — For any tax imposed under the provisions of this article with respect to any taxable year prior to January 1, 1983, a resident individual shall be allowed a West Virginia exemption of \$600 for each exemption for which he is entitled to a deduction for the taxable year for federal income tax purposes. With respect to any taxable year beginning on or after January 1, 1983, and prior to January 1, 1984, said exemption shall be \$700; with respect to any taxable year beginning on or after January 1, 1984, said exemption shall be \$800; and with respect to any taxable~~

1 year beginning on or after January 1, 1987, said exemption shall be \$2,000.

2 ~~(b) *Husband and wife.* -- If the West Virginia income taxes of a husband and wife are~~
3 ~~separately determined but their federal income tax is determined on a joint return, each of them shall~~
4 ~~be separately entitled, with respect to any taxable year prior to January 1, 1983, to a West Virginia~~
5 ~~exemption of \$600 for each federal exemption to which he or she would be separately entitled for~~
6 ~~the taxable year if their federal income taxes had been determined on separate returns. With respect~~
7 ~~to any taxable year beginning on or after January 1, 1983, and prior to January 1, 1984, said~~
8 ~~exemption shall be \$700; with respect to any taxable year beginning on or after January 1, 1984, said~~
9 ~~exemption shall be \$800; and with respect to any taxable year beginning on or after January 1, 1987,~~
10 ~~said exemption shall be \$2,000.~~

11 ~~(c) *Surviving spouse.* -- For taxable years beginning after December 31, 1986, a surviving~~
12 ~~spouse shall be allowed one additional exemption of \$2,000 for the two taxable years beginning after~~
13 ~~the year of death of the deceased spouse.~~

14 ~~For purposes of this section and section twelve of this article, a surviving spouse means a~~
15 ~~taxpayer whose spouse died during the taxable year prior to the taxable year for which the annual~~
16 ~~return is being filed and who has not remarried at any time before the end of the taxable year for~~
17 ~~which the annual return is being filed.~~

18 ~~(d) *Certain dependents.* -- Notwithstanding any provisions in this section, for taxable years~~
19 ~~beginning after December 31, 1986, a resident individual whose exemption amount for federal tax~~
20 ~~purposes is zero by virtue of section 151(d)(2) of the Internal Revenue Code of 1986, shall be~~
21 ~~allowed a single West Virginia exemption in the amount of \$500.~~

22 (a) For taxable years beginning after December 31, 2014:

1 (1) A resident individual is allowed a West Virginia exemption for each exemption for which
2 the individual is entitled to for federal income tax purposes. The amount of the exemption or
3 exemptions is the same amount allowed for federal income tax purposes.

4 (2) If the West Virginia income taxes of a husband and wife are determined on a joint return
5 and their federal income tax is determined on a joint return, the amount of the exemption or
6 exemptions is the same amount allowed for federal income tax purposes.

7 (3) If the West Virginia income taxes of a husband and wife are separately determined but
8 their federal income tax is determined on a joint return, each of them shall be separately entitled to
9 fifty percent of the amount claimed for federal income tax purposes.

NOTE: The purpose of this bill is to make the personal exemptions of residents for purposes of West Virginia's personal income tax the same as allowed for federal income tax purposes.

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