

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2903

**FISCAL
NOTE**

2015 Carryover

(BY DELEGATES BYRD, SKINNER, FLEISCHAUER,
MANCHIN, MILEY, SOBONYA, SUMMERS, WELD, B. WHITE,
ROWE AND GUTHRIE)

[Introduced January 13, 2016; referred to the
Committee on Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-21-23a, relating to providing a tax credit for first time home buyers;
 3 establishing eligibility criteria; and setting a maximum credit.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 section, designated §11-21-23a, to read as follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-23a. Credit for first time home buyers; criteria.

1 (a) For the tax years beginning on or after January 1, 2016, a first time home buyer of a
 2 principal residence is allowed a refundable credit against the taxes imposed by this article equal
 3 to the amount of ten percent of the purchase price of a principal residence, up to a maximum
 4 credit of \$5,000 and subject to the conditions set forth in this section.

5 (b) The credit permitted by this section applies to a principal residence purchased by a
 6 taxpayer on or after April 9, 2016, and before May 1, 2020. However, the credit is also available
 7 if the taxpayer enters into a written binding contract before May 1, 2020, and closes on the
 8 purchase before July 1, 2020.

9 (c) A first time home buyer is, for the purposes of this section, an individual who has not
 10 had an ownership interest in a principal residence for the five years preceding the purchase of a
 11 residence for which he or she seeks this credit.

12 (d) Married taxpayers who are first time home buyers who file separate returns are eligible
 13 for a maximum tax credit of \$2,500.

14 (e) If two or more individuals who are not married purchase a principal residence, the
 15 amount of the credit allowed under subsection (a) of this section shall be allocated among those
 16 individuals on a pro rata basis, not to exceed the \$5,000 limit.

17 (f) No credit is allowed under subsection (a) of this section for a residence whose purchase
18 price exceeds \$800,000.
19

NOTE: The purpose of this bill is to provide a tax credit for first time home buyers. The bill establishes eligibility criteria and sets a maximum credit of \$5,000.

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