

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

Senate Bill 13

**FISCAL
NOTE**

BY SENATORS SYPOLT, SMITH, PLYMALE AND JEFFRIES

[Introduced February 8, 2017; referred
to the Committee on Finance]

1 A BILL to amend and reenact §11-21-21 of the Code of West Virginia, 1931, as amended, relating
2 to changing the qualifier for low income to three hundred percent or less of the federal
3 poverty guideline from one hundred fifty percent or less of the federal poverty guideline
4 for a senior citizens' homestead tax credit.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 21. PERSONAL INCOME TAX.

**§11-21-21. Senior citizens' tax credit for property tax paid on first \$20,000 of taxable
assessed value of a homestead in this state.**

1 (a) *Allowance of credit.* --

2 (1) A low-income person who is allowed a \$20,000 homestead exemption from the
3 assessed value of his or her homestead for ad valorem property tax purposes, as provided in
4 section three, article six-b of this chapter, ~~shall be~~ is allowed a refundable credit against the taxes
5 imposed by this article equal to the amount of ad valorem property taxes paid on up to the first
6 \$10,000 of taxable assessed value of the homestead for property tax years that begin on or after
7 January 1, 2003, except as provided in subdivision (2) of this subsection.

8 (2) For tax years beginning on or after January 1, 2007, a low-income person who is
9 allowed a \$20,000 homestead exemption from the assessed value of his or her homestead for ad
10 valorem property tax purposes, as provided in section three, article six-b of this chapter, shall be
11 allowed a refundable credit against the taxes imposed by this article equal to the amount of ad
12 valorem property taxes paid on up to the first \$20,000 of taxable assessed value of the homestead
13 for property tax years that begin on or after January 1, 2007: *Provided*, That for tax years
14 beginning on and after January 1, 2009, any person who is required to pay the federal alternative
15 minimum income tax in the current tax year is disqualified from receiving any tax credit provided
16 under this section.

17 (3) Due to the administrative cost of processing, the refundable credit authorized by this
18 section may not be refunded if less than \$10.

19 (4) The credit for each property tax year shall be claimed by filing a claim for refund within
20 three years after the due date for the personal income tax return upon which the credit is first
21 available.

22 (b) *Terms defined.* --

23 For purposes of this section:

24 (1) (A) "Low income" means federal adjusted gross income for the taxable year that is one
25 hundred fifty percent or less of the federal poverty guideline for the year in which property tax was
26 paid, based upon the number of individuals in the family unit residing in the homestead, as
27 determined annually by the United States Secretary of Health and Human Services.

28 (B) For tax years beginning after December 31, 2017, "low income" means federal
29 adjusted gross income for the taxable year that is three hundred percent or less of the federal
30 poverty guideline for the year in which property tax was paid, based upon the number of
31 individuals in the family unit residing in the homestead, as determined annually by the United
32 States Secretary of Health and Human Services.

33 (2) (A) For tax years beginning before January 1, 2007, "taxes paid" means the aggregate
34 of regular levies, excess levies and bond levies extended against not more than \$10,000 of the
35 taxable assessed value of a homestead that are paid during the calendar year determined after
36 application of any discount for early payment of taxes but before application of any penalty or
37 interest for late payment of property taxes for a property tax year that begins on or after January
38 1, 2003, except as provided in paragraph (B) of this subdivision.

39 (B) For tax years beginning on or after January 1, 2007, "taxes paid" means the aggregate
40 of regular levies, excess levies and bond levies extended against not more than \$20,000 of the
41 taxable assessed value of a homestead that are paid during the calendar year determined after
42 application of any discount for early payment of taxes but before application of any penalty or

43 interest for late payment of property taxes for a property tax year that begins on or after January
44 1, 2007.

45 (c) *Legislative rule.* --

46 The Tax Commissioner shall propose a legislative rule for promulgation as provided in
47 article three, chapter twenty-nine-a of this code to explain and implement this section.

48 (d) *Confidentiality.* --

49 The Tax Commissioner shall utilize property tax information in the statewide electronic
50 data processing system network to the extent necessary for the purpose of administering this
51 section, notwithstanding any provision of this code to the contrary.

52 (e) For tax years beginning on or after January 1, 2012, taxpayers must calculate the credit
53 authorized in this section prior to calculating the credit authorized in section twenty-three of this
54 article.

NOTE: The purpose of this bill is to change the qualifier for low income to three hundred percent or less of the federal poverty guideline from one hundred and fifty percent or less of the federal poverty guideline for a senior citizens' homestead tax credit.

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