

# **WEST VIRGINIA LEGISLATURE**

## **2017 REGULAR SESSION**

**Introduced**

### **House Bill 3043**

BY DELEGATE ROWE

[Introduced March 14, 2017; Referred  
to the Committee on Finance.]

1 A BILL to amend and reenact §11-24-4 of the Code of West Virginia, 1931, as amended, relating  
2 to increasing the corporation net income tax.

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

1 That §11-24-4 of the Code of West Virginia, 1931, as amended, be amended and  
2 reenacted to read as follows:

**ARTICLE 24. CORPORATION NET INCOME TAX.**

**§11-24-4. Imposition of primary tax and rate thereof; effective and termination dates.**

1 *Primary tax.* -- (1) In the case of taxable periods beginning after June 30, 1967, and ending  
2 prior to January 1, 1983, a tax is hereby imposed for each taxable year at the rate of six percent  
3 per annum on the West Virginia taxable income of every domestic or foreign corporation engaging  
4 in business in this state or deriving income from property, activity or other sources in this state,  
5 except corporations exempt under section five.

6 (2) In the case of taxable periods beginning on or after January 1, 1983, and ending prior  
7 to July 1, 1987, a tax is hereby imposed for each taxable year on the West Virginia taxable income  
8 of every domestic or foreign corporation engaging in business in this state or deriving income  
9 from property, activity or other sources in this state, except corporations exempt under section  
10 five of this article, and any banks, banking associations or corporations, trust companies, building  
11 and loan associations and savings and loan associations, at the rates which follow:

12 (A) On taxable income not in excess of \$50,000, the rate of six percent; and

13 (B) On taxable income in excess of \$50,000, the rate of seven percent.

14 (3) In the case of taxable periods beginning on or after July 1, 1987, a tax is hereby  
15 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
16 corporation engaging in business in this state or deriving income from property, activity or other  
17 sources in this state, except corporations exempt under section five of this article, at the rate of  
18 nine and three-quarters percent. Beginning July 1, 1988, and on each July 1 thereafter for four  
19 successive calendar years, the rate shall be reduced by fifteen one hundredths of one percent

20 per year, with such rate to be nine percent on and after July 1, 1992.

21 (4) In the case of taxable periods beginning on or after January 1, 2007, a tax is hereby  
22 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
23 corporation engaging in business in this state or deriving income from property, activity or other  
24 sources in this state, except corporations exempt under section five of this article, at the rate of  
25 eight and three-quarters percent.

26 (5) In the case of taxable periods beginning on or after January 1, 2009, a tax is hereby  
27 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
28 corporation engaging in business in this state or deriving income from property, activity or other  
29 sources in this state, except corporations exempt under section five of this article, at the rate of  
30 eight and one-half percent.

31 (6) In the case of taxable periods beginning on or after January 1, 2012, a tax is hereby  
32 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
33 corporation engaging in business in this state or deriving income from property, activity or other  
34 sources in this state, except corporations exempt under section five of this article, at the rate of  
35 seven and three-quarters percent: *Provided*, That the reduction in tax authorized by this  
36 subsection shall be suspended if the combined balance of funds as of June 30, 2011, in the  
37 Revenue Fund Shortfall Reserve Fund and the Revenue Fund Shortfall Reserve Fund - Part B  
38 established in section twenty, article two, chapter eleven-b of this code does not equal or exceed  
39 ten percent of the General Revenue Fund budgeted for the fiscal year commencing July 1, 2011:  
40 *Provided, however*, That the rate reduction schedule will resume in the calendar year immediately  
41 following any subsequent fiscal year when the combined balance of funds as of June 30 of that  
42 fiscal year in the Revenue Fund Shortfall Reserve Fund and the Revenue Fund Shortfall Reserve  
43 Fund - Part B next equals or exceeds ten percent of the General Revenue Fund budgeted for the

44 immediately succeeding fiscal year.

45 (7) In the case of taxable periods beginning on or after January 1, 2013, a tax is hereby  
46 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
47 corporation engaging in business in this state or deriving income from property, activity or other  
48 sources in this state, except corporations exempt under section five of this article, at the rate of  
49 seven percent: *Provided*, That the reduction in tax authorized by this subsection shall be  
50 suspended for one calendar year subsequent to the occurrence of the suspension of the reduction  
51 in tax authorized by subdivision (6) of this section: *Provided, however*, That the reduction in tax  
52 on the first day of any calendar year authorized by this subsection shall be suspended if the  
53 combined balance of funds as of June 30 of the preceding year in the Revenue Fund Shortfall  
54 Reserve Fund and the Revenue Fund Shortfall Reserve Fund - Part B established in section  
55 twenty, article two, chapter eleven-b of this code does not equal or exceed ten percent of the  
56 General Revenue Fund budgeted for the fiscal year commencing July 1, of the preceding year.

57 (8) In the case of taxable periods beginning on or after January 1, 2014, a tax is hereby  
58 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
59 corporation engaging in business in this state or deriving income from property, activity or other  
60 sources in this state, except corporations exempt under section five of this article, at the rate of  
61 six and one-half percent: *Provided*, That the reduction in tax authorized by this subsection shall  
62 be suspended for one calendar year subsequent to the occurrence of the suspension of the  
63 reduction in tax authorized by subdivision (7) of this section: *Provided, however*, That the  
64 reduction in tax on the first day of any calendar year authorized by this subsection shall be  
65 suspended if the combined balance of funds as of June 30 of the preceding year in the Revenue  
66 Fund Shortfall Reserve Fund and the Revenue Fund Shortfall Reserve Fund - Part B established  
67 in section twenty, article two, chapter eleven-b of this code does not equal or exceed ten percent

68 of the General Revenue Fund budgeted for the fiscal year commencing July 1, of the preceding  
69 year.

70 (9) In the case of taxable periods beginning on or after July 1, 2017, a tax is hereby  
71 imposed for each taxable year on the West Virginia taxable income of every domestic or foreign  
72 corporation engaging in business in this state or deriving income from property, activity or other  
73 sources in this state, except corporations exempt under section five of this article, at the rate of  
74 seven and three-tenths percent. The provisions of this subdivision shall expire on June 30, 2019.

NOTE: The purpose of this bill is to increase the corporation net income tax by .8 % for two years.

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