

# WEST VIRGINIA LEGISLATURE

## 2018 REGULAR SESSION

Introduced

### Senate Bill 601

FISCAL  
NOTE

BY SENATOR FACEMIRE

[Introduced February 19, 2018; Referred  
to the Committee on Finance]

1 A BILL to amend and reenact §11-21-20 of the Code of West Virginia, 1931, as amended, relating  
 2 to personal income tax; and alleviating double taxation on foreign income at the state level.

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

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-20. Credit for income tax of another state.**

1 (a) General. -- A resident ~~shall be~~ is allowed a credit against the tax otherwise due under  
 2 this article for any income tax imposed for the taxable year by another state of the United States,  
 3 ~~or~~ by the District of Columbia, or by a foreign country upon income both derived therefrom and  
 4 subject to tax under this article.

5 (b) Limitations. -- (1) The credit under this section ~~shall~~ may not exceed the percentage of  
 6 the tax otherwise due under this article determined by dividing the portion of the taxpayer's West  
 7 Virginia income subject to taxation by ~~such~~ the other jurisdiction by the total amount of the  
 8 taxpayer's West Virginia income.

9 (2) The credit under this section ~~shall~~ may not reduce the tax otherwise due under this  
 10 article to an amount less than would have been due if the income subject to taxation by ~~such~~ the  
 11 other jurisdiction were excluded from the taxpayer's West Virginia income.

12 (c) Exception. -- No credit ~~shall be~~ is allowed under this section for a tax of a jurisdiction  
 13 which allows residents of this state a credit against the taxes imposed by ~~such~~ the other  
 14 jurisdiction for the tax under this article, if ~~such~~ the other credit is substantially similar to the credit  
 15 granted by §11-21-40 of this code.

16 (d) Definition. -- For purposes of this section West Virginia income means:

17 (1) The West Virginia adjusted gross income of an individual, or

18 (2) The amount of the income of an estate or trust, determined as if the estate or trust  
 19 were an individual computing his or her West Virginia adjusted gross income under §11-21-12 of  
 20 this code.

NOTE: The purpose of this bill is to alleviate double taxation on foreign income at the state level under the personal income tax.

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