

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2225

**FISCAL
NOTE**

BY DELEGATE BYRD

[Introduced January 10, 2019; 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; setting a maximum credit; and excluding certain homes.

Be it enacted by the Legislature of West Virginia:

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, 2019, 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 10 percent of the purchase price of a principal residence, up to a maximum credit
4 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, 2019, and before May 1, 2023. However, the credit is also available
7 if the taxpayer enters into a written binding contract before May 1, 2023, and closes on the
8 purchase before July 1, 2023.

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 §11-21-23a(a) of this code 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 §11-21-23a(a) of this code for a residence whose purchase
18 price exceeds \$800,000.

NOTE: The purpose of this bill is to provide a tax credit for first time home buyers. The bill

establishes eligibility criteria, sets a maximum credit of \$5,000, and excludes homes over \$800,000.

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