

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2413

BY MR. SPEAKER (MR. HANSHAW) AND DELEGATE MILEY

(BY REQUEST OF THE EXECUTIVE)

[Introduced January 15, 2019; Referred
to the Committee on Finance.]

1 A BILL to amend and reenact §11-21-9 of the Code of West Virginia, 1931, as amended, relating
 2 to updating meaning of federal adjusted gross income and certain other terms used in
 3 West Virginia Personal Income Tax Act; providing rule for determining number of personal
 4 exemptions; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-9. Meaning of terms.

1 (a) Any term used in this article has the same meaning as when used in a comparable
 2 context in the laws of the United States relating to income taxes, unless a different meaning is
 3 clearly required. Any reference in this article to the laws of the United States means the provisions
 4 of the Internal Revenue Code of 1986, as amended, and any other provisions of the laws of the
 5 United States that relate to the determination of income for federal income tax purposes. All
 6 amendments made to the laws of the United States after December 31, ~~2016~~ 2017, but prior to
 7 January 1, ~~2018~~ 2019, shall be given effect in determining the taxes imposed by this article to the
 8 same extent those changes are allowed for federal income tax purposes, whether the changes
 9 are retroactive or prospective, but no amendment to the laws of the United States made on or
 10 after January 1, ~~2018~~ 2019, may be given any effect.

11 (b) Medical savings accounts. — The term “taxable trust” does not include a medical
 12 savings account established pursuant to §33-15-20 or §33-16-15 of this code. Employer
 13 contributions to a medical savings account established pursuant to those sections are not wages
 14 for purposes of withholding under §11-21-71 of this code.

15 (c) Surtax. — The term “surtax” means the 20 percent additional tax imposed on taxable
 16 withdrawals from a medical savings account under §33-15-20 of this code and the 20 percent
 17 additional tax imposed on taxable withdrawals from a medical savings account under §33-16-15
 18 of this code which are collected by the Tax Commissioner as tax collected under this article.

19 (d) Effective date. — The amendments to this section enacted in the year ~~2017~~ 2019 are
20 retroactive to the extent allowable under federal income tax law. With respect to taxable years
21 that began prior to January 1, ~~2018~~ 2019, the law in effect for each of those years shall be fully
22 preserved as to that year, except as provided in this section.

23 (e) For purposes of the refundable credit allowed to a low income senior citizen for property
24 tax paid on his or her homestead in this state, the term “laws of the United States” as used in §11-
25 21-9(a) of this code means and includes the term “low income” as defined in §11-21-21(b) of this
26 code and as reflected in the poverty guidelines updated periodically in the federal register by the
27 U.S. Department of Health and Human Services under the authority of 42 U.S.C. § 9902(2).

28 (f) For taxable years beginning on and after January 1, 2018, whenever ~~§11-21-1 et seq.~~
29 ~~of this code~~ this article refers to “each exemption for which he or she is entitled to a deduction for
30 the taxable year for federal income tax purposes” this phrase means the exemption the person
31 would have been allowed to claim for the taxable year had the federal income tax law not been
32 amended to eliminate the personal exemption for federal tax years beginning on or after January
33 1, 2018.

NOTE: The purpose of this bill is to update the meaning of federal adjusted gross income and certain other terms used in the West Virginia Personal Income Tax Act; and specify effective dates.

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