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WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
Regular Session, 2006

ENROLLED

SENATE BILL NO. 529

(By Senators Tomblin, Mr. President, and
Sprouse, By Request of the Executive)

PASSED March 9, 2006

In Effect from Passage

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Senate Bill No. 529

(BY SENATORS TOMBLIN, MR. PRESIDENT, AND SPROUSE,
BY REQUEST OF THE EXECUTIVE)

[Passed March 9, 2006; in effect from passage.]

AN ACT to amend and reenact §11-21-9 of the Code of West Virginia, 1931, as amended, relating to updating meaning of federal adjusted gross income and certain other terms used in West Virginia Personal Income Tax Act; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

That §11-21-9 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-9. Meaning of terms.

- 1 (a) Any term used in this article has the same meaning as
- 2 when used in a comparable context in the laws of the
- 3 United States relating to income taxes, unless a different
- 4 meaning is clearly required. Any reference in this article

5 to the laws of the United States means the provisions of
6 the Internal Revenue Code of 1986, as amended, and any
7 other provisions of the laws of the United States that
8 relate to the determination of income for federal income
9 tax purposes. All amendments made to the laws of the
10 United States after the thirty-first day of December, two
11 thousand four, but prior to the first day of January, two
12 thousand six, shall be given effect in determining the taxes
13 imposed by this article to the same extent those changes
14 are allowed for federal income tax purposes, whether the
15 changes are retroactive or prospective, but no amendment
16 to the laws of the United States made on or after the first
17 day of January, two thousand six, shall be given any effect.

18 (b) *Medical savings accounts.* – The term “taxable trust”
19 does not include a medical savings account established
20 pursuant to section twenty, article fifteen, chapter thirty-
21 three of this code or section fifteen, article sixteen of said
22 chapter. Employer contributions to a medical savings
23 account established pursuant to said sections are not
24 “wages” for purposes of withholding under section
25 seventy-one of this article.

26 (c) *Surtax.* – The term “surtax” means the twenty
27 percent additional tax imposed on taxable withdrawals
28 from a medical savings account under section twenty,
29 article fifteen, chapter thirty-three of this code and the
30 twenty percent additional tax imposed on taxable with-
31 drawals from a medical savings account under section
32 fifteen, article sixteen of said chapter which are collected
33 by the Tax Commissioner as tax collected under this
34 article.

35 (d) *Effective date.* – The amendments to this section
36 enacted in the year two thousand six are retroactive to the
37 extent allowable under federal income tax law. With
38 respect to taxable years that began prior to the first day of
39 January, two thousand six, the law in effect for each of
40 those years shall be fully preserved as to that year, except
41 as provided in this section.

42 (e) For purposes of the refundable credit allowed to a
43 low income senior citizen for property tax paid on his or
44 her homestead in this state, the term "laws of the United
45 States" as used in subsection (a) of this section means and
46 includes the term "low income" as defined in subsection
47 (b), section twenty-one of this article and as reflected in
48 the poverty guidelines updated periodically in the federal
49 register by the U. S. Department of Health and Human
50 Services under the authority of 42 U. S. C. §9902(2).

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Randy White

.....
Chairman Senate Committee

R. Bruner

.....
Chairman House Committee

Originated in the Senate.

In effect from passage.

Darrell E. Roberts

.....
Clerk of the Senate

Bryce D. Sear

.....
Clerk of the House of Delegates

Carl Ray Tomblin

.....
President of the Senate

Robert St. George

.....
Speaker House of Delegates

The within *was approved* this the *23rd*
March
Day of, 2006.

Paul Hancock

.....
Governor

PRESENTED TO THE
GOVERNOR

MAR 17 2006

Time 11:15 AM