

H. B. 2115

(BY DELEGATE(S) MR. SPEAKER (MR.
ARMSTEAD) AND DELEGATE MILEY)
[BY REQUEST OF THE EXECUTIVE]

[Introduced January 20, 2015; referred to the
Committee on Finance.]

A BILL to amend and reenact §11-24-3 of the Code of West Virginia, 1931, as amended, relating to updating the meaning of the term “federal taxable income” and certain other terms used in the West Virginia Corporation Net Income Tax Act; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

That §11-24-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 24. CORPORATION NET INCOME TAX.**§11-24-3. Meaning of terms; general rule.**

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 United
3 States relating to federal income taxes, unless a different
4 meaning is clearly required by the context or by definition in this
5 article. Any reference in this article to the laws of the United
6 States means the provisions of the Internal Revenue Code of
7 1986, as amended, and any other provisions of the laws of the
8 United States that relate to the determination of income for
9 federal income tax purposes. All amendments made to the laws
10 of the United States after December 31, ~~2012~~ 2013, but prior to
11 January 1, ~~2014~~ 2015, shall be given effect in determining the
12 taxes imposed by this article to the same extent those changes
13 are allowed for federal income tax purposes, whether the
14 changes are retroactive or prospective, but no amendment to the
15 laws of the United States made on or after January 1, ~~2014~~ 2015,
16 shall be given any effect.

17 (b) The term “Internal Revenue Code of 1986” means the
18 Internal Revenue Code of the United States enacted by the
19 federal Tax Reform Act of 1986 and includes the provisions of

20 law formerly known as the Internal Revenue Code of 1954, as
21 amended, and in effect when the federal Tax Reform Act of 1986
22 was enacted that were not amended or repealed by the federal
23 Tax Reform Act of 1986. Except when inappropriate, any
24 reference in any law, executive order or other document:

25 (1) To the Internal Revenue Code of 1954 includes a
26 reference to the Internal Revenue Code of 1986; and

27 (2) To the Internal Revenue Code of 1986 includes a
28 reference to the provisions of law formerly known as the Internal
29 Revenue Code of 1954.

30 (c) Effective date. — The amendments to this section
31 enacted in the year ~~2014~~ 2015 are retroactive to the extent
32 allowable under federal income tax law. With respect to taxable
33 years that began prior to January 1, ~~2015~~ 2016, the law in effect
34 for each of those years shall be fully preserved as to that year,
35 except as provided in this section.

NOTE: The purpose of this bill is to update the meaning of “federal taxable income” and certain other terms in the West Virginia Corporation Net Income Tax Act by bringing them into conformity with their meaning for Internal Revenue Code’s definitions.

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

