

# WEST VIRGINIA LEGISLATURE

## 2016 REGULAR SESSION

Introduced

### House Bill 4457

FISCAL  
NOTE

BY DELEGATES SKINNER, MANCHIN, PERRY, ROWE,  
PUSHKIN, CAMPBELL, FLUHARTY, HORNBUCKLE AND  
FLEISCHAUER

[Introduced February 9, 2016; 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 §11-21-12j, relating to creating the West Virginia Student Education Incentive  
 3 Act; and providing taxpayers repaying their own student loans a modification reducing  
 4 federal adjusted gross in the amount of the principal and interest paid, for personal income  
 5 tax purposes.

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

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
 2 section, designated §11-21-12j, to read as follows:

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-12j. Additional modification reducing federal adjusted gross income for principal  
 interest paid on student loans.**

1 (a) For taxable years beginning after December 31, 2015, in addition to amounts  
 2 authorized to be subtracted from federal adjusted gross income pursuant to other sections of this  
 3 article, a modification reducing federal adjusted gross income is authorized for payments made  
 4 representing principal and interest the taxpayer has paid on the taxpayer's student loans during  
 5 the taxable year. The modification allowed by this section is allowed only to the extent the amount  
 6 is not allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for  
 7 the taxable year in which the payment is made.

8 (b) The Tax Commissioner shall promulgate procedural rules providing a procedure for  
 9 taxpayers to follow to establish that the amount of the modification claimed qualifies under this  
 10 section.

11 (c) This section may be known and cited as the West Virginia Student Education Incentive  
 12 Act.

NOTE: The purpose of this bill is to provide taxpayers repaying their own student loans a modification reducing federal adjusted gross income in the amount of the principal and interest paid, for personal income tax purposes.

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