

# **WEST VIRGINIA LEGISLATURE**

**2020 REGULAR SESSION**

**Introduced**

## **Senate Bill 170**

BY SENATOR BLAIR

[Introduced January 9, 2020; referred  
to the Committee on Finance]



1 A BILL to amend and reenact §11-21-20 of the Code of West Virginia, 1931, as amended, relating  
2 to personal income tax; alleviating double taxation on foreign income at the state level;  
3 and sunsetting the credit for income tax paid on foreign income in 2069.

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

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-20. Credit for income tax of another state and foreign country.**

1 (a) *General.* — A resident ~~shall be~~ is allowed a credit against the tax otherwise due under  
2 this article for any income tax imposed for the taxable year by another state of the United States,  
3 ~~or by the District of Columbia, or by a foreign country~~ upon income both derived therefrom and  
4 subject to tax under this article.

5 (b) *Limitations.* — (1) The credit under this section ~~shall~~ may not exceed the percentage  
6 of the tax otherwise due under this article determined by dividing the portion of the taxpayer's  
7 West Virginia income subject to taxation by ~~such the~~ other jurisdiction by the total amount of the  
8 taxpayer's West Virginia income.

9 (2) The credit under this section ~~shall~~ does not reduce the tax otherwise due under this  
10 article to an amount less than would have been due if the income subject to taxation by ~~such the~~  
11 other jurisdiction were excluded from the taxpayer's West Virginia income.

12 (c) *Exception.* — No credit ~~shall be~~ is allowed under this section for a tax of a jurisdiction  
13 which allows residents of this state a credit against the taxes imposed by ~~such the~~ other  
14 jurisdiction for the tax under this article, if ~~such the~~ other credit is substantially similar to the credit  
15 granted by ~~section forty~~ §11-21-40 of this code.

16 (d) *Definition.* — For purposes of this section, "West Virginia income" means:

17 (1) The West Virginia adjusted gross income of an individual; or

18 (2) The amount of the income of an estate or trust, determined as if the estate or trust  
19 were an individual computing his or her West Virginia adjusted gross income under ~~section twelve~~  
20 §11-21-12 of this code.

21           (e) Sunset provision. — The credit allowed against the tax otherwise due under this article  
22 for any income tax imposed for the taxable year by a foreign country upon income both derived  
23 therefrom and subject to tax under this article is effective from the amendment and reenactment  
24 of this section during the 2020 regular session of the Legislature through July 1, 2069.

NOTE: The purpose of this bill is to alleviate double taxation on foreign income at the state level. The bill sunsets the credit for income tax paid on foreign income in 2069.

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