

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill 2723

FISCAL
NOTE

BY DELEGATES CAPITO AND WAMSLEY

[Introduced February 24, 2021; Referred to the
Committee on Education then Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-21-12m, relating to providing taxpayers a deduction for interest paid on
 3 qualified education loans to the extent such amount is not allowable as a deduction when
 4 arriving at a taxpayer’s federal adjusted gross income

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12m. Deduction for student Loan Interest.

1 (a) In addition to amounts authorized to be subtracted from federal adjusted gross income
 2 pursuant to §11-21-12(c) of this code, any interest paid by the taxpayer during the taxable year
 3 on any qualified education loan is also an authorized modification reducing federal adjusted gross
 4 income, but only to the extent the amount is not allowable as a deduction when arriving at the
 5 taxpayer’s federal adjusted gross income for the taxable year in which the payment is made.

6 (b) For purposes of this section, the term “qualified education loan” has the same meaning
 7 as the term qualified education loan in 26 U.S.C. §22(d)(1).

8 (c) Rules – The Tax Commissioner may propose legislative rules, or promulgate
 9 interpretive or procedural rules, as the commissioner deems unnecessary to carry out the
 10 provisions of this section and to provide guidelines and requirements to ensure uniform
 11 administrative practices statewide to effect the intent of this section. All rules shall be promulgated
 12 in accordance with the provisions of §29A-3-1 et seq. of this code.

NOTE: The purpose of this bill is to provide a deduction for interest paid on qualified education loans to the extent such amount is not allowable as a deduction when aiming at a taxpayer’s federal adjusted gross income.

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