

# WEST VIRGINIA LEGISLATURE

## 2021 REGULAR SESSION

### Introduced

## Senate Bill 241

FISCAL  
NOTE

BY SENATORS BALDWIN, BEACH, CAPUTO, IHLENFELD,  
JEFFRIES, LINDSAY, PLYMALE, ROMANO, STOLLINGS,  
UNGER, AND WOELFEL

[Introduced February 11, 2021; referred  
to the Committee on Education; and then to the  
Committee on Finance]

1 A BILL to amend and reenact §11-21-8 of the Code of West Virginia, 1931, as amended, relating  
 2 to providing new graduates of an in-state or out-of-state higher educational institution,  
 3 community or technical college, or trade school a \$1,000 tax credit on the personal  
 4 property tax of the graduate for five taxable years; providing rule-making authority to the  
 5 Tax Commissioner; and removing expired language.

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

## **ARTICLE 21. PERSONAL INCOME TAX.**

### **§11-21-8. Credits against tax.**

1 *(a) Business and occupation tax credit.* -- A credit shall be allowed against the tax imposed  
 2 by §11-21-3 of this code equal to the amount of the liability of the taxpayer for the taxable year  
 3 for any tax imposed under §11-13-1 *et seq* of this code: *Provided*, That the amount of ~~such~~ the  
 4 business and occupation tax credit ~~shall~~ may not exceed the portion of the tax imposed by this  
 5 article which is attributable to the West Virginia taxable income derived by the taxpayer for the  
 6 taxable year from the business or occupation with respect to which ~~said~~ the tax under §11-13-1  
 7 *et seq.* of this code was imposed. In case the West Virginia taxable income of a taxpayer includes  
 8 income from a partnership, estate, trust, or a corporation electing to be taxed under subchapter  
 9 S of the Internal Revenue Code of 1954, as amended, a part of any tax liability of the partnership,  
 10 estate, trust, or corporation under ~~said~~ §11-13-1 *et seq.* of this code shall be allowed to the  
 11 taxpayer, in computing the credit provided for by this section, in an amount proportionate to the  
 12 income of such partnership, estate, trust, or corporation, which is included in the taxpayer's West  
 13 Virginia taxable income.

14 For purposes of this section, the tax imposed under §11-13-1 *et seq.* of this code shall be  
 15 the amount of the liability of the taxpayer for ~~such~~ the tax under ~~said~~ §11-13-1 *et seq.* of this code  
 16 computed without reduction for the tax credit for industrial expansion or revitalization allowed for  
 17 ~~such~~ the year.

18 ~~(b) Severance tax credit.~~ -- ~~On and after July 1, 1987, a credit shall be allowed against the~~

19 ~~tax imposed by section three of this article equal to the amount of the liability of the taxpayer for~~  
 20 ~~the taxable year for any tax imposed under article thirteen-a, chapter eleven of this code:~~  
 21 ~~*Provided, That the amount of such severance tax credit shall not exceed the portion of the tax*~~  
 22 ~~imposed by this article which is attributable to the West Virginia taxable income derived by the~~  
 23 ~~taxpayer for the taxable year from the activities with respect to which said tax under article~~  
 24 ~~thirteen-a was imposed. In case the West Virginia taxable income of a taxpayer includes income~~  
 25 ~~from a partnership, estate, trust or a corporation electing to be taxed under subchapter S of the~~  
 26 ~~Internal Revenue Code of 1954, as amended, a part of any tax liability of the partnership, estate,~~  
 27 ~~trust or corporation under said article thirteen-a shall be allowed to the taxpayer, in computing the~~  
 28 ~~credit provided for by this section, in an amount proportionate to the income of such partnership,~~  
 29 ~~estate, trust or corporation, which is included in the taxpayer's West Virginia taxable income.~~

30 ~~(c) Expiration of credit.--The credit authorized in subsection (b) of this section shall expire~~  
 31 ~~and not be authorized or allowed for any taxable year beginning on or after October 1, 1990~~

32 (b) *New graduate tax credit.* – Any person graduating from an in-state or out-of-state four-  
 33 year educational institution, community or technical college, or trade school is eligible for a \$1,000  
 34 tax credit on the person's personal income tax. The tax credit may be claimed for five taxable  
 35 years, including the graduation year. The Tax Commissioner may require any information  
 36 necessary to validate that a person graduated and may propose for promulgation any rules  
 37 necessary to effectuate the provisions of this section pursuant to §29A-3-1 et seq. of this code.

NOTE: The purpose of this bill is to provide new graduates of an in-state or out-of-state higher educational institution, community or technical college, or trade school, a \$1,000 tax credit on the income tax of the graduate for five taxable years; providing rule-making authority to the Tax Commissioner; and removing expired language from this section.

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