

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill 3116

FISCAL
NOTE

BY DELEGATES THOMPSON, EVANS, HANSEN, GRIFFITH,

YOUNG, WALKER, PUSHKIN, ZUKOFF AND BARACH

[Introduced March 12, 2021; 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 §11-21-31, relating to creating a refundable Earned Income Tax Credit against
 3 state personal income tax; providing a phase-in period for rate of credit; and limiting credit
 4 to full year residents.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-31. Refundable tax credit of earned income for certain low-income taxpayers.

1 (a) A resident may claim a refund in the amount, if any, by which the applicable percentage
 2 specified in subsection (b) of this section of the earned income credit allowable for the taxable
 3 year under §32 of the Internal Revenue Code exceeds the state personal income tax for the
 4 taxable year.

5 (b) The applicable percentage of the earned income credit allowable under §32 of the
 6 Internal Revenue Code to be used for purposes of determining the refund provided under this
 7 paragraph is:

8 (1) 25 percent for a taxable year beginning after December 31, 2021, but before January
 9 1, 2023;

10 (2) 25.5 percent for a taxable year beginning after December 31, 2022, but before January
 11 1, 2024;

12 (3) 26 percent for a taxable year beginning after December 31, 2023, but before January
 13 1, 2025;

14 (4) 27 percent for a taxable year beginning after December 31, 2024, but before January
 15 1, 2026; and

16 (5) 28 percent for a taxable year beginning after December 31, 2025.

17 (c) The refund shall only be available to taxpayers who were a resident of the state for the
 18 entire taxable year.

NOTE: The purpose of this bill is to provide a refundable Earned Income Tax Credit from state personal income tax for taxpayers who also qualify for the Earned Income Tax Credit on their federal income tax.

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