WEST VIRGINIA LEGISLATURE

**FISCAL NOTE**

2022 REGULAR SESSION

Introduced

House Bill 4384

By Delegates Haynes, Keaton, Pritt, Cooper, Hanna, Honaker, Booth, G. Ward, and Mandt

[Introduced January 25, 2022; Referred to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-21-12n, relating to exempting a portion of retirement income from personal income taxes; establishing a nonadditive exemption from federal adjusted gross income; and providing a joint, total exemption for married couples filing jointly.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12n. Exempting retirement income from federal adjusted gross income.

(a) For any resident individual who has retired from full-time employment, the individual’s federal adjusted gross income shall be reduced by the amount of income, up to a limit of $50,000, in the form of payments, annuities, retirement allowances, returns of contributions, and any other benefit received by the individual in that tax year from any retirement plan, retirement investment account, retirement annuity, or other retirement income or deferred compensation plan pursuant to Internal Revenue Code §401(k) or §457(b): *Provided*, That this exemption shall not be added to, but instead shall include, any other exemption provided under this article of, or for, any form of retirement payment or benefit.

(b) The exemption provided by this section is to be applied per individual and, if a married couple files a joint return, one exemption of up to $50,000 shall be applied for each retired spouse with a total exemption of up to $100,000 allowed if both spouses are retired.

NOTE: The purpose of this bill is to exempt the first $50,000 of retirement income from personal 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.