WEST virginia legislature

**FISCAL NOTE**

2023 regular session

Introduced

Senate Bill 165

By Senator Caputo

[Introduced January 13, 2023; referred  
to the Committee on Health and Human Resources; and then to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §11-13MM-1, §11-13MM-2, §11-13MM-3, §11-13MM-4, §11-13MM-5, §11-13MM-6, and §11-13MM-7, all relating generally to creating a personal income tax credit for nurses in West Virginia; providing for definitions; providing for a tax credit for nurses for personal income tax in a taxable year; providing for a tax credit limitation of $5,000 for a single person; providing for a tax credit limitation of $10,000 of persons filing tax returns jointly under certain conditions; providing that the tax credit for nurses must be used in the taxable year and cannot be carried forward; providing for documentation of eligibility for the tax credit; providing for required contents of the documentation evidencing eligibility for the tax credit; providing that the form must be sent to the Tax Commissioner to receive the tax credit; providing for rule-making authority; providing for reporting at certain time; and providing for an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13MM. WEST VIRGINIA Nurse TAX CREDIT ACT.

§11-13MM-1. Findings and Purpose.

The Legislature finds that it is an important public policy to encourage participation in nursing by providing tax credits for those who provide vital service to their community in the field of nursing.

§11-13MM-2. Definition.

"Nurse" means a professional who is educated, trained, and licensed under §30-7-1 *et seq.* and §30-7A-1 *et seq.* of this code, and who is engaged in the practice of nursing in the state. A nurse within the meaning of this article receives compensation for the performance of services that require substantial specialized judgment and skill based on knowledge and application of principles of nursing derived from the biological, physical, and social sciences.

§11-13MM-3. Amount of credit; limitation of credit.

(a) There is allowed to eligible nurses in this state a credit against taxes imposed by §11-21-1 *et seq*. of this code in the amount set forth in subsection (b) of this section.

(b) The amount of the credit is $5,000 during a taxable year or the total amount of tax imposed by §11-21-1 *et seq*. of this code in the year of active membership. If both taxpayers filing a joint tax return are eligible for the credit authorized by this article, the amount of the credit is $10,000, or $5,000 for each eligible taxpayer, during a taxable year or the total amount of tax imposed by §11-21-1 *et seq*. of this code in the year of active membership.

(c) If the amount of the credit authorized by this article is unused in any tax year, it may not be applied to any other tax year.

§11-13MM-4. Qualification for credit.

The nurse shall obtain certification from his or her employer to demonstrate that the nurse has been employed for the entire year or, if for a shorter time, the actual time employed. The nurse shall submit to the commission documentation from his or her employer or employers demonstrating the term of months employed as a nurse and the tax credit will be proportional to the time period of full-time employment as a nurse. If the nurse has been employed on a part-time basis or for only a portion of the tax year within the state, the credit shall be proportionally allocated accordingly.

§11-13MM-5. Legislative rules.

The Tax Commissioner may propose rules for legislative approval in accordance with the provision of §29A-3-1 *et seq.* of this code as may be necessary to carry out the purposes of this article.

§11-13MM-6. Tax credit review report.

Beginning on the first day of the second taxable year after the passage of this article and every two years thereafter, the commission shall submit to the Governor, the President of the Senate, and the Speaker of the House of Delegates a tax credit review and accountability report evaluating the cost effectiveness of the tax credit and donations during the most recent two-year period for which information is available.

§11-13MM-7. Effective date.

The credit allowed by this article shall be allowed for nurses after December 31, 2022.

NOTE: The purpose of this bill is to provide for a $5,000 tax credit for nurses to West Virginia personal income tax liabilities.

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