

**WEST VIRGINIA LEGISLATURE**

**2024 SECOND EXTRAORDINARY SESSION**

**Introduced**

**Senate Bill 2025**

By Senators Blair (Mr. President) and Woelfel

(By Request of the Executive)

[Introduced September 30, 2024]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-21-4i, relating to personal income tax; providing for reduced graduated income tax rates; reducing the rate of tax on certain composite returns; reducing the rate of withholding tax on nonresident income; reducing the rate of withholding tax on the nonresident sale of real estate; reducing the rate of withholding on lottery winnings; applying reduced rates beginning January 1, 2025; providing for contingent additional future reductions in the personal income tax rates when certain criteria have been met; and providing effective dates.

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

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

### **§11-21-4i. Rate of tax — Beginning January 1, 2025.**

(a) Rate of tax on individuals (except married individuals filing separate returns), individuals filing joint returns, heads of households, and estates and trusts. — Beginning January 1, 2025, the tax imposed by W. Va. Code §11-21-3 on the West Virginia taxable income of every individual (except married individuals filing separate returns); every individual who is a head of a household in the determination of his or her federal income tax for the taxable year; every husband and wife who file a joint return under this article; every individual who is entitled to file his or her federal income tax return for the taxable year as a surviving spouse; and every estate and trust (except non-grantor trusts administered by licensed private trust companies created pursuant to the provisions of W. Va. Code §311-1-1 et seq. shall be determined in accordance with the following table:

If the West Virginia taxable

income is:

Not over \$10,000

Over \$10,000 but not over \$25,000

Over \$25,000 but not over \$40,000

The tax is:

2.16% of the taxable income

\$216 plus 2.87% of excess over \$10,000

\$646.50 plus 3.23% of excess over \$25,000

16           Over \$40,000 but not over \$60,000                   \$1,131 plus 4.3% of excess over \$40,000

17           Over \$60,000   \$1,991 plus 4.67% of excess over \$60,000

18           (b) Rate of tax on married individuals filing separate returns. — In the case of husband and  
19 wife filing separate returns under this article for the taxable year, the tax imposed by W. Va. Code  
20 §11-21-3 on the West Virginia taxable income of each spouse shall be determined in accordance  
21 with the following table:

22           If the West Virginia taxable

23           income is:

The tax is:

24           Not over \$5,000

2.16% of the taxable income

25           Over \$5,000 but not over \$12,500

\$108 plus 2.87% of excess over \$5,000

26           Over \$12,500 but not over \$20,000

\$323.25 plus 3.23% of excess over \$12,500

27           Over \$20,000 but not over \$30,000

\$565.50 plus 4.3% of excess over \$20,000

28           Over \$30,000

\$995.50 plus 4.67% of excess over \$30,000

29           (c) Effect of rates on Nonresident Composite and Withholding Obligations —  
30 Notwithstanding any provision of this article to the contrary, for taxable years beginning on and  
31 after the retroactive date specific in W. Va. Code §11-21-4g(d), whenever the words "six and one-  
32 half percent" appear in W. Va. Code §11-21-51a, §11-21-71a, §11-21-71b, or §11-21-77, with  
33 relation to a tax return of, or the tax rate imposed on income of individuals, individuals filing joint  
34 returns, heads of households, and estates and trusts (except non-grantor trusts administered by  
35 licensed private trust companies created pursuant to the provisions of W. Va. Code §311-1-1 et  
36 seq., the stated percentage shall be changed to 4.67%.

37           (d) Applicability of this section. — Beginning January 1 2025, the reduction of tax, and the  
38 corresponding rates of tax issued by the Tax Commissioner pursuant to the provisions of W. Va.  
39 Code §11-21-4h are further reduced by five percent. The provisions of this section shall be  
40 applicable in determining the rates of tax imposed by this article beginning January 1, 2025:  
41 Provided, That the tax rates specified in this section shall continue to be adjusted in accordance

42 with W. Va. Code §11-21-4h and may be superseded by any rates determined by that section.

NOTE: The purpose of this bill is to authorize up to a 5% additional reduction of the personal income tax rate beginning January 1, 2025.

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