

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 4614

FISCAL
NOTE

By Delegate Young

[Introduced January 11, 2024; 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 §11-21-98, relating to tax reductions and other aid for West Virginians; stating a
3 purpose; providing for a child tax credit; providing for a child and dependent care tax credit;
4 authorizing an earned income tax credit; authorizing a student loan interest tax credit; and
5 providing for rulemaking and an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-98. Tax reductions and other aid for West Virginians.

1 (a) Purpose. -- The purpose of this section is to provide cash relief and financial support to
2 families with young children and to employees who incur child and dependent care expenses to
3 enable them to remain in the workforce, and to lessen the financial impact of higher education on
4 residents with student loans.

5 (b) Child tax credit. -- A resident individual or part-year resident individual who is entitled to
6 a child tax credit under the laws of the United States shall be entitled to a refundable credit against
7 the tax imposed by §11-21-1, *et seq.* of this code for the taxable year. The total credit per taxable
8 year shall be in the amount of \$1,000 per qualifying child, as defined under 26 U.S.C. § 152(c),
9 who is five years of age or younger as of the close of the calendar year in which the taxable year of
10 the taxpayer begins. For a part-year resident individual, the amount of the credit shall be multiplied
11 by the percentage that the individual's income that is earned or received during the period of the
12 individual's residency in this state bears to the individual's total income.

13 (1) Notwithstanding any provision of law to the contrary, the refundable credit and its
14 payment authorized under this section shall be treated in the same manner as the federal Earned
15 Income Tax Credit and "may not be considered as assets, income, or resources to the same extent
16 the credit and its payment would be disregarded pursuant to 26 U.S.C. §3512. This section shall
17 only apply to the extent that it does not conflict with federal law relating to the benefit or assistance
18 program and that any required federal approval or waiver is first obtained for that program.

19 (c) Child and dependent care credit. -- A resident of this state shall be eligible for a
20 refundable credit against the tax imposed under §11-21-1, *et seq.* of this code. The credit shall be
21 equal to 72% of the federal child and dependent care credit allowed to the taxpayer for the taxable
22 year for child or dependent care services provided in this state.

23 (d) Earned income tax credit. -- A resident individual or part-year resident individual who is
24 entitled to an earned income tax credit granted under the laws of the United States shall be entitled
25 to a credit against the tax imposed by §11-21-1, *et seq.* of this code for the taxable year. The credit
26 shall be 38% of the earned income tax credit granted to the individual under the laws of the United
27 States, multiplied by the percentage that the individual's earned income that is earned or received
28 during the period of the individual's residency in this state bears to the individual's total earned
29 income.

30 (e) Student loan interest credit. -- A qualified resident taxpayer who incurs interest on a
31 qualified education loan for the costs of attendance at an eligible educational institution is entitled
32 to a credit against the tax imposed by §11-21-1, *et seq.* of this code for the taxable year. For
33 purposes of this subsection, a "qualified education loan" and "eligible educational institution" shall
34 have the same meanings as under 26 U.S.C. § 221(d).

35 (f) Rulemaking. -- In order to effectuate the purposes of this section, the Tax Commissioner
36 may promulgate procedural rules, interpretive rules and legislative rules, including emergency
37 rules, or any combination thereof in accordance with §29A-3-1, *et seq.* of this code.

38 (g) Effective date. -- This section shall be effective for personal income tax years beginning
39 on or after January 1, 2025.

NOTE: The purpose of this bill is to provide tax reductions and other aid to West Virginians. The bill states a purpose; provides for a child tax credit; provides for a child and dependent care tax credit; authorizes an earned income tax credit; authorizes a student loan interest tax credit; and provides for rulemaking and an effective date.

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