

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2168

**FISCAL
NOTE**

By Delegates Ellington, Statler, and Toney

[Introduced February 12, 2025; 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 §11-21-4j; relating to the personal income tax, establishing that first \$20,000 of taxable income not subject to personal income tax but income in excess of that amount be subject to a fixed three percent.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-4j. Rate of tax -- Taxable years beginning on or after January 1, 2025.

(a) Rate of tax on individuals (except married individuals filing separate returns), individuals filing joint returns, heads of households, estates and trusts. -- The tax imposed by section three of this article 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 shall be determined in accordance with the following table:

If the West Virginia taxable income is: The tax is:

At or below \$20,000 0% of the taxable income

Over \$20,000 3% of excess over \$20,000

(b) Rate of tax on married individuals filing separate returns. -- In the case of husband and wife filing separate returns under this article for the taxable year, the tax imposed by section three of this article on the West Virginia taxable income of each spouse shall be determined in accordance with the following table:

If the West Virginia taxable income is: The tax is:

At or below \$20,000 0% of the taxable income

Over \$20,000 3% of excess over \$20,000

(c) Applicability of this section. -- The provisions of this section, as amended by this act,

- 20 shall be applicable in determining the rate of tax imposed by this article for all taxable years
21 beginning after December 31, 2024, and shall be in lieu of the rates of tax specified in §11-21-4e.

NOTE: The purpose of this bill is to establish that first \$20,000 of taxable income not subject to personal income tax but income in excess of that amount be subject to a fixed three percent.

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