WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2913

FISCAL NOTE

By Delegates Young, Hansen, and Lewis

[Introduced February 24, 2025; referred to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section, designated §11-21-98; and to repeal §61-8B-16 of said code, relating to authorizing a refundable child or childcare tax credit.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-26 – Child and dependent care credit.

[Repealed.]

§11-21-98. Child tax credit.

(a) The Legislature finds and declares that the federal child tax credit supports working families whose earnings are below an income threshold and who have children. The Legislature further finds and declares that the federal child tax credits have reduced child poverty, supported local economies, and has made a positive impact on the early childhood development and health of children whose families gain income from the credit. Therefore, it is the intent of the Legislature to establish a permanent and refundable state child tax credit for eligible West Virginia taxpayers to support working families with children, reduce child poverty, and help West Virginia's economy.

(b) Definitions:

(1) "Eligible child" means a qualifying child for purposes of the federal child tax credit in the taxable year which the credit is claimed.

(2) "Federal child tax credit" means the child tax credit allowed under section 24 of the internal revenue code, or any successor section, and includes the refundable portion of the tax credit, which portion is referred to as the additional child credit.

(c) For the tax years beginning on or after January 1, 2025, a refundable credit against the tax imposed by the provisions of this article is allowed against the tax liability under this article of a resident individual who claims a federal child tax credit for an eligible child on the individual's federal tax return in the amount of $1,000.

(d) The amount of the credit allowed under this section that exceeds the resident individual's income taxes due is refunded to the individual.

NOTE: The purpose of this bill is to repeal the non-refundable child tax credit and create and authorize a refundable child tax credit.

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