

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **Senate Bill 218**

**FISCAL  
NOTE**

By Senator Woelfel

[Introduced February 12, 2025; 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 a new section, designated §11-21-27, relating to expenses associated with child care.

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

**ARTICLE                    21.                    PERSONAL                    INCOME                    TAX.**

**§11-21-27. Expenses related to childcare; credits against state tax.**

(a) For income tax years beginning on and after January 1, 2026, if a resident individual claims a childcare eligible expenses credit on the individual's federal tax return, the individual shall be allowed a childcare eligible expenses credit against the income taxes due on the individual's income under this article calculated as follows:

(1) If the resident individual's federal adjusted gross income is \$30,000 or less, the credit shall be in an amount equal to 50% of the credit for childcare expenses claimed on the resident individual's federal tax return.

(2) If the resident individual's federal adjusted gross income is between \$30,001 and \$45,000, the credit shall be in an amount equal to 30% of the credit for childcare expenses claimed on the resident individual's federal tax return.

(3) If the resident individual's federal adjusted gross income is between \$45,001 and \$65,000, the credit shall be in an amount equal to 20% of the credit for childcare expenses claimed on the resident individual's federal tax return.

(b) If the resident individual's federal adjusted gross income is \$65,000 or more, the resident individual shall not be allowed a credit under this subsection.

(c) If the credits allowed under subdivisions (1), (2), and (3) of this subsection exceed the income taxes due on the resident individual's income, the amount of the eligible credits not used to offset income taxes shall not be carried forward as tax credits against the resident individual's subsequent years' income tax liability but shall be refunded to the individual.

(d) The childcare eligible expenses credits allowed under subdivisions (1), (2), and (3) of this subsection shall not be allowed to a resident individual who is receiving childcare assistance

22 from the Department of Health and Human Resources except to the extent of the taxpayer's  
23 unreimbursed out-of-pocket expenses that result in a federal credit for eligible childcare expenses.

24 (e) In the case of a resident for part of a tax year, the credits allowed by this section shall be  
25 apportioned in the ratio determined under section §11-21-30.

26 (f) The term "federal childcare tax credit" as used herein refers to IRS Form 2441 "Child  
27 and Dependent Care Expenses." However, for purposes of this subsection, to constitute a  
28 "qualified individual" and for an individual to obtain any refund, the dependent child claimed must  
29 not have reached the age of 13 on December 31, of the tax year.

NOTE: The purpose of this bill is to create a tax credit related to childcare expenses.

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