

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **Senate Bill 221**

**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]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,  
2 designated §11-21-26, relating to authorizing a child or child care tax credit.

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

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

### **§11-21-26. Child tax credit.**

1 (a) The Legislature finds and declares that the federal child tax credit supports low-income  
2 and middle-income working families whose earnings are below an income threshold and who  
3 have children under 17 years of age. The Legislature further finds and declares that the federal  
4 child and childcare tax credits have reduced child poverty, supported local economies, and has  
5 made a positive impact on the early childhood development and health of children whose families  
6 gain income from the credit. Therefore, it is the intent of the Legislature to establish a permanent  
7 and refundable state child or childcare tax credit for eligible West Virginia taxpayers to support  
8 working families with children, reduce child poverty, and help West Virginia's economy.

9 (b) Definitions:

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

12 (2) "Federal child tax credit" means the child tax credit allowed under 26 U.S.C. §24 and  
13 includes the refundable portion of the tax credit, which portion is referred to as the additional child  
14 credit.

15 (3) "Federal childcare expenses credit" means the childcare tax credit allowed under  
16 section 24 of the internal revenue code, and includes the refundable portion of the tax credit, which  
17 portion is referred to as the additional child care credit.

18 (c) For the tax years beginning on or after January 1, 2025, a refundable credit against the  
19 tax imposed by the provisions of this article is allowed against the tax liability under this article of a  
20 resident individual who claims either a federal child tax credit or federal child care expenses credit  
21 for an eligible child on the individual's federal tax return in the amount of either 20 percent of the

22 federal child care expenses credit or 10 percent of the federal child tax credit, whichever amount is  
23 greater. The credit authorized by this section may not be claimed by any taxpayer if the federal  
24 adjusted gross income for the taxpayer is in excess of \$100,000.

25 (d) The amount of the credit allowed under this section that exceeds the resident  
26 individual's income taxes due is refunded to the individual: *Provided*, That due to the  
27 administrative cost of processing, the refundable credit authorized by this section may not be  
28 refunded if less than \$10.

29 (e) The credit under this section may not be considered as income or resources for the  
30 purpose of determining eligibility for the payment of public assistance benefits and medical  
31 benefits authorized under state law or for a payment made under any other publicly funded  
32 programs.

NOTE: The purpose of this bill is to create and authorize a state child and child care 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.