

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5078

**FISCAL
NOTE**

By Delegate Young

[Introduced February 03, 2026; referred to the
Committee on Health and Human Resources then
Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
2 designated §11-21-98, relating to personal income tax; and authorizing a child or childcare
3 tax credit; creating definitions; creating a tax credit for eligible children; and clarifying the
4 amount to be refunded to the individual.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

<u>§11-21-98.</u>	<u>Child</u>	<u>tax</u>	<u>credit.</u>
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1 (a) The Legislature finds and declares that the federal child tax credit supports working
2 families whose earnings are below an income threshold and who have children. The Legislature
3 further finds and declares that the federal child tax credits have reduced child poverty, supported
4 local economies, and have made a positive impact on the early childhood development and health
5 of children whose families gain income from the credit. Therefore, it is the intent of the Legislature
6 to establish a permanent and refundable state child tax credit for eligible West Virginia taxpayers
7 to support working families with children, reduce child poverty, and help West Virginia's economy.

8 (b) Definitions:

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

11 (2) "Federal child tax credit" means the child tax credit allowed under section 24 of the
12 Internal Revenue Code, or any successor section, and includes the refundable portion of the tax
13 credit, which portion is referred to as the additional child credit.

14 (c) For the tax years beginning on or after January 1, 2025, a refundable credit against the
15 tax imposed by the provisions of this article is allowed against the tax liability under this article of a
16 resident individual who claims a federal child tax credit for an eligible child on the individual's
17 federal tax return in the amount of 50% of the federal child and dependent care tax credit allowed
18 to the person under the provisions of 26 U.S.C. §21.

19 (d) The amount of the credit allowed under this section that exceeds the resident

20 individual's income taxes due is refunded to the individual.

NOTE: The purpose of this bill is to create and authorize a state child tax credit for eligible children.

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