

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Enrolled

Committee Substitute

for

Senate Bill 400

BY SENATORS SMITH (MR. PRESIDENT) AND WOELFEL

(BY REQUEST OF THE EXECUTIVE)

[Passed February 23, 2026; in effect from passage]

1 AN ACT to amend and reenact §11-21-9 of the Code of West Virginia, 1931, as amended, relating
2 to updating the meaning of federal adjusted gross income and certain other terms used in
3 West Virginia personal income tax act; preserving a provision of state law relating to
4 gaming and gambling losses; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§ 11-21-9. Meaning of terms.

1 (a) Any term used in this article has the same meaning as when used in a comparable
2 context in the laws of the United States relating to income taxes, unless a different meaning is
3 clearly required. Any reference in this article to the laws of the United States means the provisions
4 of the Internal Revenue Code of 1986, as amended, and any other provisions of the laws of the
5 United States that relate to the determination of income for federal income tax purposes. All
6 amendments made to the laws of the United States after December 31, 2024, but prior to January
7 1, 2026, shall be given effect in determining the taxes imposed by this article to the same extent
8 those changes are allowed for federal income tax purposes, whether the changes are retroactive
9 or prospective, but no amendment to the laws of the United States made on or after January 1,
10 2026, may be given any effect.

11 (b) Medical savings accounts. — The term "taxable trust" does not include a medical
12 savings account established pursuant to §33-15-20 or §33-16-15 of this code. Employer
13 contributions to a medical savings account established pursuant to said sections are not wages
14 for purposes of withholding under §11-21-71 of this code.

15 (c) Surtax. — The term "surtax" means the 20 percent additional tax imposed on taxable
16 withdrawals from a medical savings account under §33-15-20 of this code and the 20 percent
17 additional tax imposed on taxable withdrawals from a medical savings account under §33-16-15
18 of this code which are collected by the Tax Commissioner as tax collected under this article.

19 (d) Effective date. — The amendments to this section enacted in the year 2026 are
20 retroactive to the extent allowable under federal income tax law. With respect to taxable years
21 that began prior to January 1, 2026, the law in effect for each of those years shall be fully
22 preserved as to that year, except as provided in this section.

23 (e) For purposes of the refundable credit allowed to a low-income senior citizen for
24 property tax paid on his or her homestead in this state, the term "laws of the United States" as
25 used in subsection (a) of this section means and includes the term "low income" as defined in
26 §11-21-21(b) of this code and as reflected in the poverty guidelines updated periodically in the
27 Federal Register by the U.S. Department of Health and Human Services under the authority of
28 42 U.S.C. § 9902(2).

29 (f) For taxable years beginning on and after January 1, 2018, whenever this article refers
30 to "each exemption for which he or she is entitled to a deduction for the taxable year for federal
31 income tax purposes", this phrase means the exemption the person would have been allowed to
32 claim for the taxable year had the federal income tax law not been amended to eliminate the
33 personal exemption for federal tax years beginning on or after January 1, 2018.

34 (g) For taxable years beginning on and after January 1, 2026, whenever this article refers
35 to "additional modification reducing federal adjusted gross income related to gaming and
36 gambling loses", this phrase means the modification the person would have been allowed to claim
37 pursuant to §11-21-12n of this code for the taxable year had the federal income tax law not been
38 amended to modify the modification reducing federal adjusted gross income related to gaming
39 and gambling losses for federal tax years beginning on or after January 1, 2026.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

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Clerk of the Senate

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Clerk of the House of Delegates

Originated in the Senate.

In effect from passage.

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President of the Senate

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Speaker of the House of Delegates

The within is this the.....
Day of, 2026.

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Governor