

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

Senate Bill 120

**FISCAL
NOTE**

By Senator Woelfel

[Introduced January 14, 2026; referred

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 §11-21-12o, relating to authorizing a personal income tax deduction applicable
3 to qualified tipped wages; providing that qualified tips reported to the taxpayer's employer
4 may be deducted from federal adjusted gross income; defining terms; and providing
5 effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12o. Deduction for qualified tips.

1 (a) In addition to amounts authorized to be subtracted from federal adjusted gross income
2 pursuant to §11-21-12(c) of this code, the sum of all qualified tips received during the taxable year
3 that were reported to the taxpayer's employer, as provided in the legislative rules promulgated
4 under §21-5C-4 of this code, is an authorized modification reducing federal adjusted gross income
5 for a resident individual taxpayer. This modification is available only to the extent the amount of
6 qualified tips received is not allowable as a deduction when arriving at the taxpayer's federal
7 adjusted gross income for the taxable year in which the qualified tips were received.

8 (b) For purposes of this section, "qualified tips" means any tips or gratuities in the form of
9 cash, credit or debit card charges, or checks that were received by a resident individual taxpayer in
10 the ordinary course of such taxpayer's employment.

11 (c) This modification is effective for taxable years beginning on and after January 1, 2027.

12 (d) This modification is available regardless of the type of return form filed.

NOTE: The purpose of this bill is to authorize a personal income tax deduction applicable to qualified tipped wages.

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