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SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1997

ENROLLED

SENATE BILL NO. 279

(By Senators TOUBIN, MR. PRESIDENT, AND BURKAW,
By REQUEST OF THE EXECUTIVE)

PASSED MARCH 24, 1997

In Effect FROM Passage

ENROLLED

Senate Bill No. 279

(BY SENATORS TOMBLIN, MR. PRESIDENT, AND BUCKALEW,
BY REQUEST OF THE EXECUTIVE)

[Passed March 24, 1997; in effect from passage.]

AN ACT to amend and reenact section nine, article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to updating the meaning of certain terms used in the West Virginia personal income tax act by bringing them into conformity with their meanings for federal income tax purposes; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

That section nine, article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-9. Meaning of terms.

- 1 (a) Any term used in this article shall have the same
- 2 meaning as when used in a comparable context in the laws
- 3 of the United States relating to income taxes, unless a
- 4 different meaning is clearly required. Any reference in

5 this article to the laws of the United States shall mean the
6 provisions of the Internal Revenue Code of 1986, as
7 amended, and any other provisions of the laws of the
8 United States as relate to the determination of income for
9 federal income tax purposes. All amendments made to the
10 laws of the United States after the thirty-first day of
11 December, one thousand nine hundred ninety-five, but
12 prior to the first day of January, one thousand nine
13 hundred ninety-seven, shall be given effect in determining
14 the taxes imposed by this article to the same extent those
15 changes are allowed for federal income tax purposes,
16 whether such changes are retroactive or prospective, but
17 no amendment to the laws of the United States made on or
18 after the first day of January, one thousand nine hundred
19 ninety-seven, shall be given any effect.

20 (b) *Medical savings accounts.* — The term “taxable
21 trust” does not include a medical savings account estab-
22 lished pursuant to section twenty, article fifteen, chapter
23 thirty-three of this code or section fifteen, article sixteen
24 of said chapter. Employer contributions to a medical
25 savings account established pursuant to said sections, are
26 not “wages” for purposes of withholding under section
27 seventy-one of this article.

28 (c) *Surtax.* — The term “surtax” means the twenty
29 percent additional tax imposed on taxable withdrawals
30 from a medical savings account under section twenty,
31 article fifteen, chapter thirty-three of this code, and the
32 twenty percent additional tax imposed on taxable with-
33 drawals from a medical savings account under section
34 fifteen, article sixteen of said chapter, which are collected
35 by the tax commissioner as tax collected under this
36 article.

37 (d) *Effective date.* — The amendments to this section
38 enacted in the year one thousand nine hundred ninety-
39 seven shall be retroactive to the extent allowable under
40 federal income tax law. With respect to taxable years that
41 begin prior to the first day of January, one thousand nine
42 hundred ninety-six, the law in effect for each of those
43 years shall be fully preserved as to such year, except as
44 provided in this section.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Kendy Schoonover
.....
Chairman Senate Committee

Neil Santana
.....
Chairman House Committee

Originated in the Senate.

In effect from passage.

Carroll Stephens
.....
Clerk of the Senate

Suzanne M. Boy
.....
Clerk of the House of Delegates

Carl Ray Tomblin
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within is approved this the 27th
day of March, 1997.

[Signature]
.....
Governor

PRESENTED TO THE

GOVERNOR

Date

3/27/97

Time

3:27 pm