

1 **H. B. 2148**

2  
3 (By Delegates J. Miller and Cowles)

4 [Introduced January 12, 2011; referred to the  
5 Committee on Education then Finance.]

6 **FISCAL**  
7 **NOTE**

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10 A BILL to amend and reenact §11-21-8 of the Code of West Virginia,  
11 1931, as amended, relating to personal income tax; tax credits  
12 for scholarship donations.

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

14 That §11-21-8 of the Code of West Virginia, 1931, as amended,  
15 be amended and reenacted to read as follows:

16 **ARTICLE 21. PERSONAL INCOME TAX.**

17 **PART I. GENERAL.**

18 **§11-21-8. Credits against tax.**

19 (a) *Business and occupation tax credit.*- A credit shall be  
20 allowed against the tax imposed by section three of this article  
21 equal to the amount of the liability of the taxpayer for the  
22 taxable year for any tax imposed under article thirteen, chapter  
23 eleven of this code: *Provided*, That the amount of such business

1 and occupation tax credit shall not exceed the portion of the tax  
2 imposed by this article which is attributable to the West Virginia  
3 taxable income derived by the taxpayer for the taxable year from  
4 the business or occupation with respect to which said tax under  
5 article thirteen was imposed. In case the West Virginia taxable  
6 income of a taxpayer includes income from a partnership, estate,  
7 trust or a corporation electing to be taxed under subchapter S of  
8 the Internal Revenue Code of 1954, as amended, a part of any tax  
9 liability of the partnership, estate, trust or corporation under  
10 said article thirteen shall be allowed to the taxpayer, in  
11 computing the credit provided ~~for~~ by this section, in an amount  
12 proportionate to the income of such partnership, estate, trust or  
13 corporation, which is included in the taxpayer's West Virginia  
14 taxable income.

15 For purposes of this section, the tax imposed under article  
16 thirteen, chapter eleven of this code shall be the amount of the  
17 liability of the taxpayer for such tax under said article thirteen  
18 computed without reduction for the tax credit for industrial  
19 expansion or revitalization allowed for such year.

20 (b) *Severance tax credit.* -- On and after July 1, 1987, a  
21 credit shall be allowed against the tax imposed by section three of  
22 this article equal to the amount of the liability of the taxpayer  
23 for the taxable year for any tax imposed under article thirteen-a,  
24 chapter eleven of this code: *Provided,* That the amount of such

1 severance tax credit shall not exceed the portion of the tax  
2 imposed by this article which is attributable to the West Virginia  
3 taxable income derived by the taxpayer for the taxable year from  
4 the activities with respect to which said tax under article  
5 thirteen-a was imposed. In case the West Virginia taxable income  
6 of a taxpayer includes income from a partnership, estate, trust or  
7 a corporation electing to be taxed under subchapter S of the  
8 Internal Revenue Code of 1954, as amended, a part of any tax  
9 liability of the partnership, estate, trust or corporation under  
10 said article thirteen-a shall be allowed to the taxpayer, in  
11 computing the credit provided ~~for~~ by this section, in an amount  
12 proportionate to the income of such partnership, estate, trust or  
13 corporation, which is included in the taxpayer's West Virginia  
14 taxable income.

15 (c) *Expiration of credit.* -- The credit authorized in  
16 subsection (b) of this section shall expire and not be authorized  
17 or allowed for any taxable year beginning on or after October 1,  
18 1990.

19 (d) *Scholarship donation credit.* -- Donations to scholarship  
20 programs shall be tax deductible. There shall be \$1 of tax credit  
21 given for every \$1 donated. There will be no restriction as to cap  
22 on the donation or the credit.

NOTE: The purpose of this bill is to provide a tax credit for

scholarship donations.

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