

**Senate Bill No. 44**

(By Senators Jenkins and Plymale)

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[Introduced January 12, 2011; referred to the Committee on  
Finance.]  
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**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-21-10b, relating to providing an earned income tax credit from the state personal income tax for certain taxpayers with qualifying children.

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

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §11-21-10b, to read as follows:

**ARTICLE 21. PERSONAL INCOME TAX.**

PART I. GENERAL.

**§11-21-10b. Earned income tax credit.**

(a) A taxpayer with a qualifying child or children is allowed a tax credit equal to twenty percent of the earned income credit

1 allowed under Section 32 of the Internal Revenue Code, as amended  
2 and in effect for the current taxable year.

3       (b) The credit under this section is allowed against the taxes  
4 imposed by this article for the taxable year reduced by other  
5 credits permitted by this article. If the credit exceeds the tax  
6 as reduced, the commissioner shall disregard the excess.

7       (c) When a husband and wife file their state tax returns  
8 separately, the credit allowed pursuant to this section may be  
9 applied against the tax of either, or divided between them, as they  
10 elect.

11       (d) The commissioner shall make efforts every year to alert  
12 taxpayers who may be eligible to receive the credit provided under  
13 this section. In making a determination as to whether a taxpayer  
14 may be eligible for the credit, the commissioner shall use data as  
15 may be appropriate and available, including, but not limited to,  
16 data available from the United States Department of Treasury, the  
17 Internal Revenue Service, and state income tax returns from  
18 preceding tax years.

19       (e) The commissioner shall prepare a written report each year  
20 which shall contain statistical information regarding the credits  
21 granted for the prior calendar year. The reports shall contain,  
22 but need not be limited to, the total amount of revenue expended on  
23 the earned income credit; the number of credits claimed; and the  
24 average value of the credits granted to taxpayers whose earned

1 income falls within various income ranges. The report shall be  
2 forwarded to the Joint Committee on Government and Finance by  
3 September 1.

4 (f) This section takes effect for taxable years beginning on  
5 or after January 1, 2011.

NOTE: The purpose of this bill is to provide an earned income tax credit from the state personal income tax for taxpayers with qualifying children. The earned income tax credit is equal to twenty percent of the federal credit.

This section is new; therefore, strike-throughs and underscoring have been omitted.