

1 required. Any reference in this article to the laws of the United
2 States means the provisions of the Internal Revenue Code of 1986,
3 as amended, and any other provisions of the laws of the United
4 States that relate to the determination of income for federal
5 income tax purposes. All amendments made to the laws of the United
6 States after December 31, ~~2009~~ 2010, but prior to January 1, ~~2011~~
7 2012, shall be given effect in determining the taxes imposed by
8 this article to the same extent those changes are allowed for
9 federal income tax purposes, whether the changes are retroactive or
10 prospective, but no amendment to the laws of the United States made
11 on or after January 1, ~~2011~~ 2012, shall be given any effect.

12 (b) *Medical savings accounts.* -- The term "taxable trust" does
13 not include a medical savings account established pursuant to
14 section twenty, article fifteen, chapter thirty-three of this code
15 or section fifteen, article sixteen of said chapter. Employer
16 contributions to a medical savings account established pursuant to
17 said sections are not wages for purposes of withholding under
18 section seventy-one of this article.

19 (c) *Surtax.* -- The term "surtax" means the twenty percent
20 additional tax imposed on taxable withdrawals from a medical
21 savings account under section twenty, article fifteen, chapter
22 thirty-three of this code and the twenty percent additional tax

1 imposed on taxable withdrawals from a medical savings account under
2 section fifteen, article sixteen of said chapter which are
3 collected by the Tax Commissioner as tax collected under this
4 article.

5 (d) *Effective date.* -- The amendments to this section enacted
6 in the year ~~2011~~ 2012 are retroactive to the extent allowable under
7 federal income tax law. With respect to taxable years that began
8 prior to January 1, ~~2012~~ 2013, the law in effect for each of those
9 years shall be fully preserved as to that year, except as provided
10 in this section.

11 (e) For purposes of the refundable credit allowed to a low
12 income senior citizen for property tax paid on his or her homestead
13 in this state, the term "laws of the United States" as used in
14 subsection (a) of this section means and includes the term "low
15 income" as defined in subsection (b), section twenty-one of this
16 article and as reflected in the poverty guidelines updated
17 periodically in the federal register by the U. S. Department of
18 Health and Human Services under the authority of 42 U. S. C.
19 §9902(2).

(NOTE: The purpose of this bill is to update the meaning of
"federal adjusted gross income" and certain other terms used but

not defined in the West Virginia Personal Income Tax Act by bringing them into conformity with their meanings under the Internal Revenue Code for federal income tax purposes.

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