1	Senate Bill No. 210
2	(By Senators Kessler (Mr. President) and Hall,
3	By Request of the Executive)
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5	[Introduced January 17, 2012; referred to the Committee on
6	Finance.]
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LO	A BILL to amend and reenact §11-24-3 of the Code of West Virginia,
L1	1931, as amended, relating to updating the meaning of "federal
L2	taxable income" and certain other terms used in the West
L3	Virginia Corporation Net Income Tax Act in order for the
L 4	definitions to conform with the Internal Revenue Code's
L 5	definitions.
L 6	Be it enacted by the Legislature of West Virginia:
L 7	That §11-24-3 of the Code of West Virginia, 1931, as amended,
L 8	be amended and reenacted to read as follows:
L 9	ARTICLE 24. CORPORATION NET INCOME TAX.
20	§11-24-3. Meaning of terms; general rule.
21	(a) Any term used in this article has the same meaning as when
22	used in a comparable context in the laws of the United States
23	relating to federal income taxes, unless a different meaning is

24 clearly required by the context or by definition in this article.

- 1 Any reference in this article to the laws of the United States 2 means the provisions of the Internal Revenue Code of 1986, as 3 amended, and any other provisions of the laws of the United States 4 that relate to the determination of income for federal income tax 5 purposes. All amendments made to the laws of the United States 6 after December 31, 2009 2010, but prior to January 1, 2011 2012, 7 shall be given effect in determining the taxes imposed by this 8 article to the same extent those changes are allowed for federal 9 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) The term "Internal Revenue Code of 1986" means the
 13 Internal Revenue Code of the United States enacted by the federal
 14 Tax Reform Act of 1986 and includes the provisions of law formerly
 15 known as the Internal Revenue Code of 1954, as amended, and in
 16 effect when the federal Tax Reform Act of 1986 was enacted that
 17 were not amended or repealed by the federal Tax Reform Act of 1986.
 18 Except when inappropriate, any reference in any law, executive
 19 order or other document:
- 20 (1) To the Internal Revenue Code of 1954 includes a reference 21 to the Internal Revenue Code of 1986; and
- (2) To the Internal Revenue Code of 1986 includes a reference 23 to the provisions of law formerly known as the Internal Revenue 24 Code of 1954.

1 (c) Effective date. -- The amendments to this section enacted 2 in the year 2011 2012 are retroactive to the extent allowable under 3 federal income tax law. With respect to taxable years that began 4 prior to January 1, 2012 2013, the law in effect for each of those 5 years shall be fully preserved as to that year, except as provided 6 in this section.

(NOTE: The purpose of this bill is to update the meaning of "federal taxable income" and certain other terms used in the West Virginia Corporation Net Income Tax Act so that the definitions conform with the Internal Revenue Code's definitions.

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