

Senate Bill No. 183

(By Senators Kessler (Mr. President) and M. Hall,
By Request of the Executive)

[Introduced February 15, 2013;
referred to the Committee on Finance.]

A BILL to amend and reenact §11-24-3 of the Code of West Virginia, 1931, as amended, relating to updating the meaning of “federal taxable income” and certain other terms used in the West Virginia Corporation Net Income Tax Act so the definitions conform with the Internal Revenue Code's definitions; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

That §11-24-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-3. Meaning of terms; general rule.

1 (a) Any term used in this article has the same meaning as
2 when used in a comparable context in the laws of the United
3 States relating to federal income taxes, unless a different
4 meaning is clearly required by the context or by definition in
5 this article. Any reference in this article to the laws of the
6 United States means the provisions of the Internal Revenue
7 Code of 1986, as amended, and any other provisions of the
8 laws of the United States that relate to the determination of
9 income for federal income tax purposes. All amendments
10 made to the laws of the United States after ~~December 31,~~
11 ~~2010;~~ January 1, 2012, but prior to January ~~1, 2012;~~ 3, 2013,
12 shall be given effect in determining the taxes imposed by this
13 article to the same extent those changes are allowed for
14 federal income tax purposes, whether the changes are
15 retroactive or prospective, but no amendment to the laws of
16 the United States made on or after January ~~1, 2012;~~ 3, 2013,
17 shall be given any effect.

18 (b) The term "Internal Revenue Code of 1986" means the
19 Internal Revenue Code of the United States enacted by the

20 federal Tax Reform Act of 1986 and includes the provisions
21 of law formerly known as the Internal Revenue Code of
22 1954, as amended, and in effect when the federal Tax Reform
23 Act of 1986 was enacted that were not amended or repealed
24 by the federal Tax Reform Act of 1986. Except when
25 inappropriate, any reference in any law, executive order or
26 other document:

27 (1) To the Internal Revenue Code of 1954 includes a
28 reference to the Internal Revenue Code of 1986; and

29 (2) To the Internal Revenue Code of 1986 includes a
30 reference to the provisions of law formerly known as the
31 Internal Revenue Code of 1954.

32 (c) Effective date. – The amendments to this section
33 enacted in the year ~~2012~~ 2013 are retroactive to the extent
34 allowable under federal income tax law. With respect to
35 taxable years that began prior to January 1, ~~2013~~, 2014, the
36 law in effect for each of those years shall be fully preserved
37 as to that year, except as provided in this section.

(NOTE: The purpose of this bill is to update the meaning of “federal taxable income” and certain other terms in the West Virginia Corporation Net Income Tax Act by bringing them into conformity with their meaning for 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.)