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H. B. 2639

(By Delegates McGeehan, Folk and Ihle)
[Introduced February 6, 2015; referred to the
Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-21-3 of the Code of West Virginia, 1931, as amended, relating
to abolishing the Personal Income Tax.

Be it enacted by the Legislature of West Virginia:

That §11-21-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted
to read as follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-3. Imposition of tax; persons subject to tax.

(a) Notwithstanding any other provision of this code, for tax years beginning after December
31, 2015, the tax imposed by this section is hereby abolished.

~~(a)~~ (b) *Imposition of tax.*

(1) *Primary tax.* -- A tax determined in accordance with the rates hereinafter set forth in this
article is hereby imposed for each taxable year on the West Virginia taxable income of every
individual, estate and trust.

1 (2) *Minimum tax.* -- In addition to the primary tax imposed by this section, there is imposed
 2 a minimum tax, which shall be the excess, if any, by which an amount equal to twenty-five percent
 3 of any federal minimum tax or alternative minimum tax for the taxable year exceeds the primary tax
 4 imposed by this section for the taxable year.

5 (3) *Effective date.* -- The minimum tax herein imposed and made effective on and after April
 6 1, 1983, shall expire, be nullified and of no further force or effect whatsoever for tax years beginning
 7 on and after January 1, 2010.

8 ~~(b)~~ (c) *Partners and partnerships.* -- A partnership as such shall not be subject to tax under
 9 this article. Persons carrying on business as partners shall be liable for tax under this article only in
 10 their separate or individual capacities.

11 ~~(c)~~ (d) *Associations taxable as corporations.* -- An association, trust or other unincorporated
 12 organization which is taxable as a corporation for federal income tax purposes, shall not be subject
 13 to tax under this article.

14 ~~(d)~~ (e) *Exempt trusts and organizations.* -- A trust or other unincorporated organization which
 15 by reason of its purposes or activities is exempt from federal income tax shall be exempt from tax
 16 under this article (regardless of whether subject to federal income tax on unrelated business taxable
 17 income).

18 ~~(e)~~ (f) *Cross references.* -- For definitions of West Virginia taxable income of:

19 (1) Resident individual, see section eleven.

20 (2) Resident estate or trust, see section eighteen.

21 (3) Nonresident individual, see section thirty.

22 (4) Nonresident estate or trust, see section thirty-eight.

NOTE: The purpose of this bill is to abolish personal income tax.

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