

1 **Senate Bill No. 241**

2 (By Senators Cole (Mr. President) and Kessler,

3 By Request of the Executive)

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5 [Introduced January 16, 2015; referred to the Committee on Finance.]
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9 A BILL to amend and reenact §11-24-3 of the Code of West Virginia, 1931, as amended, relating
10 to updating the meaning of federal taxable income and certain terms used in the West
11 Virginia Corporation Net Income Tax Act; and specifying effective dates.

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

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

15 **ARTICLE 24. CORPORATION NET INCOME TAX.**

16 **§11-24-3. Meaning of terms; general rule.**

17 (a) Any term used in this article has the same meaning as when used in a comparable context
18 in the laws of the United States relating to federal income taxes, unless a different meaning is clearly
19 required by the context or by definition in this article. Any reference in this article to the laws of the
20 United States means the provisions of the Internal Revenue Code of 1986, as amended, and any other
21 provisions of the laws of the United States that relate to the determination of income for federal

1 income tax purposes. All amendments made to the laws of the United States after December 31,
2 ~~2012~~ 2013, but prior to January 1, ~~2014~~ 2015, shall be given effect in determining the taxes imposed
3 by this article to the same extent those changes are allowed for federal income tax purposes, whether
4 the changes are retroactive or prospective, but no amendment to the laws of the United States made
5 on or after January 1, ~~2014~~ 2015, shall be given any effect.

6 (b) The term "Internal Revenue Code of 1986" means the Internal Revenue Code of the
7 United States enacted by the federal Tax Reform Act of 1986 and includes the provisions of law
8 formerly known as the Internal Revenue Code of 1954, as amended, and in effect when the federal
9 Tax Reform Act of 1986 was enacted that were not amended or repealed by the federal Tax Reform
10 Act of 1986. Except when inappropriate, any reference in any law, executive order or other
11 document:

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

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

16 (c) Effective date. -- The amendments to this section enacted in the year ~~2014~~ 2015 are
17 retroactive to the extent allowable under federal income tax law. With respect to taxable years that
18 began prior to January 1, ~~2015~~ 2016, the law in effect for each of those years shall be fully preserved
19 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.