

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

Senate Bill 378

**FISCAL
NOTE**

BY SENATORS KARNES, MILLER, BOSO, MARONEY,

MULLINS, GAUNCH, CLINE AND WELD

[Introduced February 21, 2017; Referred
to the Select Committee on Tax Reform; and then to
the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
2 designated §11-13D-1, §11-13D-2, §11-13D-3 and §11-13D-4, all relating to creating an
3 earned income tax credit for low income workers; establishing procedures for claiming
4 credit; and defining terms.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a
2 new article, designated §11-13D-1, §11-13D-2, §11-13D-3 and §11-13D-4, all to read as
3 follows:

ARTICLE 13D. EARNED INCOME CREDIT.

§11-13D-1. Earned income credit for low income workers.

1 For the tax year beginning on January 1, 2018, any resident of this state who is a low
2 income worker, and who has reported earned income on his or her federal income tax return for
3 that year of more than \$1,000 but less than \$20,000, shall be allowed a credit equal to the
4 adjusted credit amount determined in this article.

§11-13D-2. Procedure for claiming credit; limitation of amount paid.

1 (a) The credit available under this article shall be claimed each year, and payment of the
2 same requested by a low-income worker, by filing, within one month following the filing of his or
3 her federal income tax return for the year, a claim for credit on forms furnished by the state tax
4 commissioner who shall process a requisition for remittance by the state treasurer of the correct
5 amounts of credit shown on properly completed and filed claims within not more than ninety
6 days following receipt of the same.

7 (b) No person may receive a credit pursuant to this section in excess of \$200. This
8 amount shall be reviewed annually by the Legislature to determine if an adjustment is
9 necessary.

10 (c) Due to the administrative cost of processing, the credit authorized by this section may
11 not be paid if the amount of the credit is determined to be less than \$10.

§11-13D-3. Definitions.

1 (a) For the purposes of this article, the term “adjusted credit amount” shall mean the
2 amount which is equal to one percent of the person’s earned income reported on his or her
3 federal income tax return for the year, reduced by four percent of that amount for every one
4 percentage point by which such person’s adjusted gross income exceeds one hundred twenty-
5 five percent of the federal poverty guideline applicable to such person as provided in this
6 section.

7 (b) For the purposes of this article, the terms “adjusted gross income” and “earned
8 income” shall have the meaning of those terms used in the Internal Revenue Code.

9 (c) For the purposes of this article, the term “low income” means federal adjusted gross
10 income for the tax year that is one hundred fifty percent or less of the federal poverty guideline
11 for the year, based upon the number of individuals in the family unit of which the low income
12 worker is a member, all as determined annually by the United States Secretary of Health and
13 Human Services.

14 (d) For the purposes of this article, the term “low income worker” means a resident of
15 this state whose federal adjusted gross income for the tax year meets the definition of “low
16 income” as defined in this section, and who has reported earned income on his or her federal
17 income tax return for that year.

§11-13D-4. Effective Date.

1 This article shall take effect on January 1, 2018.

NOTE: The purpose of this bill is to create an earned income tax credit for low income workers; establish procedures for claiming credit; and define terms.

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