

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2163

FISCAL
NOTE

BY DELEGATES MCGEEHAN AND FOLK

[Introduced February 8, 2017; Referred
to the Committee on Finance.]

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

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 21. PERSONAL INCOME TAX.

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

1 (a) Notwithstanding any other provision of this code, for tax years beginning after
2 December 31, 2017, the tax imposed by this section is abolished.

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

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

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

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

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

17 ~~(c)~~ (d) *Associations taxable as corporations.* -- An association, trust or other
18 unincorporated organization which is taxable as a corporation for federal income tax purposes,

19 shall not be subject to tax under this article.

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

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

25 (1) Resident individual, see section eleven.

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

27 (3) Nonresident individual, see section thirty.

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

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

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