

# **WEST VIRGINIA LEGISLATURE**

## **2017 REGULAR SESSION**

**Introduced**

### **House Bill 2182**

BY DELEGATE MCGEEHAN

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

1 A BILL to amend and reenact §11-21-12d of the Code of West Virginia, 1931, as amended,  
 2 relating to continuing personal income tax adjustment to gross income of certain retirees  
 3 receiving pensions from defined pension plans that terminated and are being paid a  
 4 reduced maximum benefit guarantee.

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

1 That §11-21-12d of the Code of West Virginia, 1931, as amended, be amended and  
 2 reenacted to read as follows:

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-12d. Additional modification reducing federal adjusted gross income.**

1 In addition to amounts authorized to be subtracted from federal adjusted gross income  
 2 pursuant to subsection (c), section twelve of this article, any person who retires under an  
 3 employer-provided defined benefit pension plan that terminates prior to or after the retirement of  
 4 that person and the pension plan is covered by a guarantor whose maximum benefit guarantee  
 5 is less than the maximum benefit to which the retiree was entitled had the plan not terminated  
 6 may subtract annually from his or her federal adjusted income a sum equal to the difference in  
 7 the amount of the maximum annual pension benefit the person would have received for such tax  
 8 year had the plan not terminated and the maximum annual pension benefit actually received from  
 9 the guarantor under a benefit guarantee plan: *Provided*, That if the Tax Commissioner determines  
 10 that this adjustment reduces the revenues of the state by \$2 million or more in any one year, then  
 11 the Tax Commissioner shall reduce the percentage of the reduction to a level at which the  
 12 commissioner believes will reduce the cost of the adjustment to \$2 million for the next year. This  
 13 tax adjustment is effective for taxable years beginning on and after January 1, 2008: *Provided*,  
 14 *however*, That for the taxable year 2007, the tax adjustment ~~shall be~~ is effective and ~~shall apply~~  
 15 applies retroactively: *Provided further*, That the tax adjustment ~~shall terminate~~ terminates for the  
 16 tax years on and after January 1, 2012: *Provided further*, That the tax adjustment is effective for  
 17 the taxable years beginning on and after January 1, 2017, and terminates for tax years after

18 December 31, 2019. This modification is available regardless of the type of return form filed.

NOTE: The purpose of this bill is to continue providing a personal income tax adjustment to the gross income of certain retirees receiving pensions from defined pension plans that terminated and are being paid a reduced maximum benefit guarantee.

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