

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 3012

BY DELEGATES KESSINGER, TONEY, P. MARTIN, LINVILLE,

HILL, QUEEN, WORRELL, CAPITO, MAYNARD,

HARSHBARGER AND HANNA

[Introduced February 12, 2019; Referred
to the Committee on Education then Finance.]

1 A BILL to amend and reenact §11-21-8 of the Code of West Virginia, 1931, as amended, relating
 2 to providing new graduates of an in-state or out-of-state higher educational institution, an
 3 in-state community or technical college, or an in-state trade school, a \$1,000 tax credit on
 4 the personal property tax of the graduate for five taxable years; providing rule-making
 5 authority to the Tax Commissioner; and removing expired language from this section.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-8. Credits against tax.

1 (a) *Business and occupation tax credit.* --A credit shall be allowed against the tax imposed
 2 by section three of this article equal to the amount of the liability of the taxpayer for the taxable
 3 year for any tax imposed under §11-13-1 *et seq* of this code: *Provided*, That the amount of such
 4 business and occupation tax credit shall not exceed the portion of the tax imposed by this article
 5 which is attributable to the West Virginia taxable income derived by the taxpayer for the taxable
 6 year from the business or occupation with respect to which said tax under article 13 was imposed.
 7 In case the West Virginia taxable income of a taxpayer includes income from a partnership, estate,
 8 trust or a corporation electing to be taxed under subchapter S of the Internal Revenue Code of
 9 1954, as amended, a part of any tax liability of the partnership, estate, trust or corporation under
 10 said article 13 shall be allowed to the taxpayer, in computing the credit provided for by this section,
 11 in an amount proportionate to the income of such partnership, estate, trust or corporation, which
 12 is included in the taxpayer's West Virginia taxable income.

13 For purposes of this section, the tax imposed under §11-13-1 *et seq* of this code shall be
 14 the amount of the liability of the taxpayer for such tax under said article 13 computed without
 15 reduction for the tax credit for industrial expansion or revitalization allowed for such year.

16 ~~(b) Severance tax credit.~~ --~~On and after July 1, 1987, a credit shall be allowed against the~~
 17 ~~tax imposed by section three of this article equal to the amount of the liability of the taxpayer for~~
 18 ~~the taxable year for any tax imposed under article thirteen-a, chapter eleven of this code:~~

19 ~~Provided, That the amount of such severance tax credit shall not exceed the portion of the tax~~
 20 ~~imposed by this article which is attributable to the West Virginia taxable income derived by the~~
 21 ~~taxpayer for the taxable year from the activities with respect to which said tax under article~~
 22 ~~thirteen-a was imposed. In case the West Virginia taxable income of a taxpayer includes income~~
 23 ~~from a partnership, estate, trust or a corporation electing to be taxed under subchapter S of the~~
 24 ~~Internal Revenue Code of 1954, as amended, a part of any tax liability of the partnership, estate,~~
 25 ~~trust or corporation under said article thirteen-a shall be allowed to the taxpayer, in computing the~~
 26 ~~credit provided for by this section, in an amount proportionate to the income of such partnership,~~
 27 ~~estate, trust or corporation, which is included in the taxpayer's West Virginia taxable income.~~

28 ~~(c) Expiration of credit.--The credit authorized in subsection (b) of this section shall expire~~
 29 ~~and not be authorized or allowed for any taxable year beginning on or after October 1, 1990.~~

30 (b) *New graduate tax credit.* – Any person graduating from an in-state or out-of-state four-
 31 year educational institution, an in-state community or technical college, or an in-state trade school
 32 in 2019 is eligible for a \$1,000 tax credit on the person's personal income tax. The tax credit may
 33 be claimed for five taxable years, including the graduation year. The Tax Commissioner may
 34 require any information necessary to validate that a person graduated and may promulgate any
 35 rules necessary to effectuate the provisions of this section pursuant to §29A-3-1 of this code.

NOTE: The purpose of this bill is to provide new graduates of an in-state or out-of-state higher educational institution, an in-state community or technical college, or an in-state trade school, a \$1,000 tax credit on the income tax of the graduate for five taxable years; providing rule-making authority to the Tax Commissioner; and removing expired language from this section.

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