

# **WEST VIRGINIA LEGISLATURE**

## **2023 REGULAR SESSION**

**Introduced**

**House Bill 2158**

FISCAL  
NOTE

By Delegate McGeehan

[Introduced January 11, 2023; 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 to  
2 abolishing the personal income tax.

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

**ARTICLE 21. PERSONAL INCOME TAX.**

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

1 (a) Imposition of tax. — A tax determined in accordance with the rates hereinafter set forth  
2 in this article is hereby imposed for each taxable year on the West Virginia taxable income of every  
3 individual, estate, and trust except for tax years beginning after December 31, 2023.

4 (b) Partners and partnerships. — A partnership as such shall not be subject to tax under  
5 this article. Persons carrying on business as partners shall be liable for tax under this article only in  
6 their separate or individual capacities. However, partnerships and other pass-through entities are  
7 subject to the tax imposed by this article to the extent they elect to pay additional West Virginia  
8 income taxes owed that are attributable to final federal partnership audit adjustments under §11-  
9 21A-3 of this code.

10 (c) Associations taxable as corporations. — An association, trust or other unincorporated  
11 organization which is taxable as a corporation for federal income tax purposes, shall not be subject  
12 to tax under this article.

13 (d) Exempt trusts and organizations. — A trust or other unincorporated organization which  
14 by reason of its purposes or activities is exempt from federal income tax shall be exempt from tax  
15 under this article (regardless of whether subject to federal income tax on unrelated business  
16 taxable income).

17 (e) Cross references. — For definitions of West Virginia taxable income of:

18 (1) Resident individual, see §11-21-11 of this code.

19 (2) Resident estate or trust, see §11-21-18 of this code.

20 (3) Nonresident individual, see §11-21-30 of this code.

21 (4) Nonresident estate or trust, see §11-21-38 of this code.

22           (f) Effective date. — This section as amended in 2019 shall apply to taxable years  
23 beginning on and after January 1, 2018.

24           (g) Notwithstanding any other provision of this code to the contrary, for tax years beginning  
25 after December 31, 2023, the tax imposed by this section is abolished.

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.