

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

Senate Bill 165

FISCAL
NOTE

By Senator Caputo

[Introduced January 13, 2023; referred
to the Committee on Health and Human Resources;
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 §11-13MM-1, §11-13MM-2, §11-13MM-3, §11-13MM-4, §11-13MM-5, §11-
 3 13MM-6, and §11-13MM-7, all relating generally to creating a personal income tax credit
 4 for nurses in West Virginia; providing for definitions; providing for a tax credit for nurses for
 5 personal income tax in a taxable year; providing for a tax credit limitation of \$5,000 for a
 6 single person; providing for a tax credit limitation of \$10,000 of persons filing tax returns
 7 jointly under certain conditions; providing that the tax credit for nurses must be used in the
 8 taxable year and cannot be carried forward; providing for documentation of eligibility for the
 9 tax credit; providing for required contents of the documentation evidencing eligibility for the
 10 tax credit; providing that the form must be sent to the Tax Commissioner to receive the tax
 11 credit; providing for rule-making authority; providing for reporting at certain time; and
 12 providing for an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13MM. WEST VIRGINIA NURSE TAX CREDIT ACT.

§11-13MM-1. Findings and Purpose.

1 The Legislature finds that it is an important public policy to encourage participation in
 2 nursing by providing tax credits for those who provide vital service to their community in the field of
 3 nursing.

§11-13MM-2. Definition.

1 "Nurse" means a professional who is educated, trained, and licensed under §30-7-1 et
 2 seq. and §30-7A-1 et seq. of this code, and who is engaged in the practice of nursing in the state. A
 3 nurse within the meaning of this article receives compensation for the performance of services that
 4 require substantial specialized judgment and skill based on knowledge and application of
 5 principles of nursing derived from the biological, physical, and social sciences.

§11-13MM-3. Amount of credit; limitation of credit.

1 (a) There is allowed to eligible nurses in this state a credit against taxes imposed by §11-

2 21-1 et seq. of this code in the amount set forth in subsection (b) of this section.

3 (b) The amount of the credit is \$5,000 during a taxable year or the total amount of tax
4 imposed by §11-21-1 et seq. of this code in the year of active membership. If both taxpayers filing a
5 joint tax return are eligible for the credit authorized by this article, the amount of the credit is
6 \$10,000, or \$5,000 for each eligible taxpayer, during a taxable year or the total amount of tax
7 imposed by §11-21-1 et seq. of this code in the year of active membership.

8 (c) If the amount of the credit authorized by this article is unused in any tax year, it may not
9 be applied to any other tax year.

§11-13MM-4. Qualification for credit.

1 The nurse shall obtain certification from his or her employer to demonstrate that the nurse
2 has been employed for the entire year or, if for a shorter time, the actual time employed. The nurse
3 shall submit to the commission documentation from his or her employer or employers
4 demonstrating the term of months employed as a nurse and the tax credit will be proportional to
5 the time period of full-time employment as a nurse. If the nurse has been employed on a part-time
6 basis or for only a portion of the tax year within the state, the credit shall be proportionally allocated
7 accordingly.

§11-13MM-5. Legislative rules.

1 The Tax Commissioner may propose rules for legislative approval in accordance with the
2 provision of §29A-3-1 et seq. of this code as may be necessary to carry out the purposes of this
3 article.

§11-13MM-6. Tax credit review report.

1 Beginning on the first day of the second taxable year after the passage of this article and
2 every two years thereafter, the commission shall submit to the Governor, the President of the
3 Senate, and the Speaker of the House of Delegates a tax credit review and accountability report
4 evaluating the cost effectiveness of the tax credit and donations during the most recent two-year
5 period for which information is available.

§11-13MM-7. Effective date.

1 The credit allowed by this article shall be allowed for nurses after December 31, 2022.

NOTE: The purpose of this bill is to provide for a \$5,000 tax credit for nurses to West Virginia personal income tax liabilities.

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