

# **WEST VIRGINIA LEGISLATURE**

## **2023 REGULAR SESSION**

**Introduced**

### **Senate Bill 421**

By Senators Blair (Mr. President) and Woelfel

(By Request of the Executive)

[Introduced January 23, 2023; referred  
to the Committee on Finance]

1 A BILL to amend and reenact §11-24-3 of the Code of West Virginia, 1931, as amended, relating to  
 2 updating the meaning of federal taxable income and certain other terms used in the West  
 3 Virginia Corporation Net Income Tax Act; and specifying effective dates.

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

**ARTICLE 24. CORPORATION NET INCOME TAX.**

**§11-24-3. Meaning of terms; general rule.**

1 (a) Any term used in this article has the same meaning as when used in a comparable  
 2 context in the laws of the United States relating to federal income taxes, unless a different  
 3 meaning is clearly required by the context or by definition in this article. Any reference in this article  
 4 to the laws of the United States means the provisions of the Internal Revenue Code of 1986, as  
 5 amended, and any other provisions of the laws of the United States that relate to the determination  
 6 of income for federal income tax purposes. All amendments made to the laws of the United States  
 7 after December 31, ~~2020~~ 2021, but prior to January 1, ~~2022~~ 2023, shall be given effect in  
 8 determining the taxes imposed by this article to the same extent those changes are allowed for  
 9 federal income tax purposes, whether the changes are retroactive or prospective, but no  
 10 amendment to the laws of the United States made on or after January 1, ~~2022~~ 2023, shall be given  
 11 any effect.

12 (b) The term "Internal Revenue Code of 1986" means the Internal Revenue Code of the  
 13 United States enacted by the federal Tax Reform Act of 1986 and includes the provisions of law  
 14 formerly known as the Internal Revenue Code of 1954, as amended, and in effect when the federal  
 15 Tax Reform Act of 1986 was enacted that were not amended or repealed by the federal Tax  
 16 Reform Act of 1986. Except when inappropriate, any reference in any law, executive order, or  
 17 other document:

18 (1) To the Internal Revenue Code of 1954 includes a reference to the Internal Revenue  
 19 Code of 1986; and

20 (2) To the Internal Revenue Code of 1986 includes a reference to the provisions of law

21 formerly known as the Internal Revenue Code of 1954.

22           (c) *Effective date.* — The amendments to this section enacted in the year ~~2022~~ 2023 are  
23 retroactive to the extent allowable under federal income tax law. With respect to taxable years that  
24 began prior to January 1, ~~2022~~ 2023, the law in effect for each of those years shall be fully  
25 preserved as to that year, except as provided in this section.

NOTE: The purpose of this bill is to update the meaning of "federal taxable income" and certain other terms used in the West Virginia Corporation Net Income Tax Act by bringing them into conformity with their meaning for Internal Revenue Code's definitions; and specify effective dates.

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