

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 184

FISCAL
NOTE

By Senators Woelfel, Chapman, Deeds, Caputo, and

Maroney

[Introduced January 10, 2024; referred
to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §11-21-26, relating to authorizing a child or child care tax credit.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX

§11-21-26. Child tax credit.

1 (a) The Legislature finds and declares that the federal child tax credit supports low and
2 middle income working families whose earnings are below an income threshold and who have
3 children under 17 years of age. The Legislature further finds and declares that the federal child
4 and child care tax credits have reduced child poverty, supported local economies, and has made a
5 positive impact on the early childhood development and health of children whose families gain
6 income from the credit. Therefore, it is the intent of the Legislature to establish a permanent and
7 refundable state child or child care tax credit for eligible West Virginia taxpayers to support working
8 families with children, reduce child poverty, and help West Virginia's economy.

9 (b) Definitions:

10 (1) "Eligible child" means a qualifying child for purposes of the federal child tax credit in the
11 taxable year which the credit is claimed.

12 (2) "Federal child tax credit" means the child tax credit allowed under 26 U.S.C. §24 and
13 includes the refundable portion of the tax credit, which portion is referred to as the additional child
14 credit.

15 (3) "Federal child care expenses credit" means the child care tax credit allowed under
16 section 24 of the internal revenue code, and includes the refundable portion of the tax credit, which
17 portion is referred to as the additional child care credit.

18 (c) For the tax years beginning on or after January 1, 2024, a refundable credit against the
19 tax imposed by the provisions of this article is allowed against the tax liability under this article of a
20 resident individual who claims either a federal child tax credit or federal child care expenses credit
21 for an eligible child on the individual's federal tax return in the amount of either 20 percent of the

22 federal child care expenses credit or 10 percent of the federal child tax credit, whichever amount is
23 greater. The credit authorized by this section may not be claimed by any taxpayer if the federal
24 adjusted gross income for the taxpayer is in excess of \$100,000.

25 (d) The amount of the credit allowed under this section that exceeds the resident
26 individual's income taxes due is refunded to the individual: *Provided*, That due to the
27 administrative cost of processing, the refundable credit authorized by this section may not be
28 refunded if less than \$10.

29 (e) The credit under this section may not be considered as income or resources for the
30 purpose of determining eligibility for the payment of public assistance benefits and medical
31 benefits authorized under state law or for a payment made under any other publicly funded
32 programs.

NOTE: The purpose of this bill is create and authorize a state child and child care tax credit.

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