

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

House Bill 2121

By Delegates D. Smith, Cooper, Criss, Heckert,

Hillenbrand, McGeehan, Sheedy, Hite, Hornby,

Gearheart, and Zatezalo

[Originating in the Committee on Finance, March 20,

2025.]

1 A BILL to amend and reenact §11-13MM-2 and §11-13MM-4 of the Code of West Virginia, 1931,
2 as amended, relating to providing for a deceased disabled veteran real property exemption
3 for widowed spouses.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13MM. WEST VIRGINIA PROPERTY TAX ADJUSTMENT ACT.

§11-13MM-2.

Definitions.

1 (a) General. — When used in this article, or in the administration of this article, terms
2 defined in subsection (b) of this section have the meanings ascribed to them by this section unless
3 a different meaning is clearly required by the context in which the term is used.

4 (b) Terms defined. —

5 (1) "Ad valorem property tax" means and is limited to the West Virginia ad valorem property
6 tax.

7 (2) "Business" means any activity taxable under article §11-12-1 *et seq.* of this code, which
8 is engaged in by any person in this State.

9 (3) "Disabled veteran taxpayer" means a person given an honorable discharged discharge
10 from any branch of the armed services of the United States and who is considered at least ninety
11 percent totally and permanently disabled due solely to service-connected disabilities by the
12 Department of Veterans Affairs.

13 (4) "Eligible motor vehicle" means a motor vehicle on which the ad valorem property tax
14 has been paid for the taxable year by the eligible taxpayer, and which is a motor vehicle as defined
15 in this article.

16 (5) "Flow-through entity," "conduit entity," or "pass through entity" means an S Corporation,
17 partnership, limited partnership, limited liability partnership, or limited liability company. The term
18 "flow-through entity," "conduit entity," or "pass through entity" includes a publicly traded
19 partnership as that term is defined in section 7704 of the Internal Revenue Code that has equity
20 securities registered with the Securities and Exchange Commission under section 12 of Title I of

the Securities Exchange Act of 1934, 15 USC §781: *Provided*, That a publicly traded partnership as defined in section 7704 of the Internal Revenue Code having equity securities registered with the Securities and Exchange Commission under section 12 of Title I of the Securities Exchange Act of 1934, 15 USC §781, and any other person or entity that is treated as a C corporation for federal income tax purposes, shall be treated as a corporation taxable under article §11-24-1 *et seq.* of this code for purposes of this article.

(6) "Motor Vehicle" means the following class of vehicles defined in §17A-10-1 of this code: Class A, Class B, Class G, Class H, Class T, Class V, Class X, and all-terrain vehicles and utility terrain vehicles as defined in §20-15-2 of this code.

(7) "Person" means and includes an individual, a trust, estate, partnership, pass through entity, association, company, or corporation.

(8) "Personal property" shall have the same meaning as in §11-5-1 *et seq.* of this code: *Provided*: That, for the purposes of this article, the term "personal property" shall not include a working interest in any oil, natural gas, or natural gas liquid producing property or any property of a public service company.

(9) "Personal property taxes paid" means the aggregate of regular levies, excess levies and bond levies extended against personal property that are paid during the calendar year and determined after any application of any discount for early payment of taxes. "Personal property taxes paid" does not include any untimely ad valorem property tax paid, or any payment of delinquent ad valorem property tax, or payment of "back tax" ad valorem property taxes, or any penalty or interest for late payment of property taxes.

(10) "Public service company" means a corporation or other business entity which delivers services considered essential to the public interest that are regulated by the applicable federal or state regulatory body, including, but not limited to, businesses furnishing electricity, natural gas, telecommunications, and water, and those transporting personal property or passengers, including, but not limited to, airlines, railroads, trucking, and bus companies, and which are

centrally assessed by the state for property tax purposes.

(11) "Real property taxes paid" means the aggregate of regular levies, excess levies and bond levies that are paid during the calendar year and determined after any application of any discount for early payment of taxes. "Real property taxes paid" does not include any untimely ad valorem property tax paid, or any payment of delinquent ad valorem property tax, or payment of "back tax" ad valorem property taxes, or any penalty or interest for late payment of property taxes.

(12) "Widowed spouse of a disabled veteran taxpayer" means a person who is the surviving spouse of a disabled veteran taxpayer as defined in this subsection who had previously received the disabled veteran real property tax credit authorized by §11-13MM-4: *Provided, That* he or she has not subsequently remarried.

§11-13MM-4. Disabled veteran and widowed spouse of a disabled veteran real property tax credit.

(a) Credit allowed. — ~~Disabled veterans~~ A disabled veteran taxpayer or widowed spouse of a disabled veteran taxpayer may receive a tax credit against the tax imposed under §11-21-1 *et seq.* of this code in the amount of West Virginia ad valorem property tax timely paid on his or her homestead during the personal income taxable year.

(b) Amount of credit. — Any ~~homeowner~~ taxpayer meeting the definition of a disabled veteran or widowed spouse of a disabled veteran under this article, shall be allowed a refundable credit against the taxes imposed by §11-21-1 *et seq.* of this code equal to the amount of West Virginia ad valorem real property taxes timely paid a county sheriff on a homestead which is used or occupied exclusively for residential purposes, as those terms are defined in §11-6B-2, during the personal income taxable year: *Provided, That* in no case shall any credit be allowed under this article for any untimely real property tax paid, or any payment of delinquent real property tax, or payment of "back tax" real property taxes.

(c) Application of credit against personal income tax. — The amount of credit allowed under this section shall be taken against the personal income tax liability, imposed by article §11-

21-1 ~~et seq.~~ of this code, of the ~~eligible taxpayer~~ disabled veteran taxpayer or widowed spouse of a disabled veteran taxpayer.

(d) Refundable portion of annual credit allowance. — If ~~the~~ annual tax credit allowed under this article exceeds the amount of personal income tax subject to offset under this article in any taxable year, the ~~eligible taxpayer~~ disabled veteran taxpayer or widowed spouse of a disabled veteran taxpayer may claim, for that taxable year, the excess amount as a refundable tax credit.

(e) Termination of tax credit. — Any tax credit approved in accordance with the provisions of this section shall terminate immediately when any of the following events occur:

(1) The death of the ~~owner of the property~~ disabled veteran taxpayer for which the tax credit was authorized; unless survived by an eligible widowed spouse wherein the tax credit is terminated upon his or her death or remarriage.

(2) The sale of the property for which the tax credit was approved; or

(3) A determination by the assessor that the property for which the tax credit was approved no longer qualifies for the tax credit in accordance with the provisions of this section.

(f) Forms and instructions. — The Tax Commissioner shall prescribe and supply all necessary instructions and forms for administration of this section.