

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2599

**FISCAL
NOTE**

By Delegates McGeehan, Anders, White, Dillon, and

Pritt

[Introduced February 19, 2025; 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, electing pass-through entity, and trust except for tax years beginning after
4 December 31, 2025: *Provided*, That, for tax years beginning on or after January 1, 2024, the
5 income of a non-grantor trust administered by a licensed private trust company created pursuant
6 to the provisions of §311-1-1 *et seq.* of this code shall have no tax imposed upon it by this section.

7 (b) Partners and partnerships. — A partnership or other pass-through entity as such shall
8 not be subject to tax under this article, unless the partnership or other pass-through entity elects to
9 be subject to the tax levied under this section for a taxable year pursuant to §11-21-3a of this code.
10 Persons carrying on business as partners or owners of a pass-through entity shall be liable for tax
11 under this article only in their separate or individual capacities, unless the partnership or other
12 pass-through entity elects to be subject to the tax levied under this section for a taxable year
13 pursuant to §11-21-3a of this code. However, partnerships and other pass-through entities are
14 subject to the tax imposed by this article to the extent they elect to pay additional West Virginia
15 income taxes owed that are attributable to final federal partnership audit adjustments under §11-
16 21A-3 of this code.

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

20 (d) Exempt trusts and organizations. — A trust or other unincorporated organization which
21 by reason of its purposes or activities is exempt from federal income tax shall be exempt from tax

22 under this article (regardless of whether subject to federal income tax on unrelated business
23 taxable income).

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

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

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

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

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

29 (f) Effective date. — This section as amended in 2023 shall apply to taxable years
30 beginning on and after January 1, 2022.

31 (g) Notwithstanding any other provision of this code to the contrary, for tax years beginning
32 after December 31, 2025, 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.