WEST VIRGINIA CODE: §11-13V-5

§11-13V-5. Accounting periods and methods of accounting.

(a) General rule. -- For purposes of the taxes imposed by this article, a taxpayer's taxable year shall be the same as the taxpayer's taxable year for federal income tax purposes. If taxpayer has no taxable year for federal income tax purposes, then the calendar year shall be taxpayer's taxable year under this article.

(b) Change of taxable year. -- If a taxpayer's taxable year is changed for federal income tax purposes, taxpayer's taxable year for purposes of this article is similarly changed. The taxpayer shall provide a copy of the authorization for the change from the Internal Revenue Service, with taxpayer's annual return for the taxable year filed under this article.

(c) Methods of accounting same as federal. --

(1) Same as federal. -- A taxpayer's method of accounting under this article shall be the same as the taxpayer's method of accounting for federal income tax purposes. In the absence of any method of accounting for federal income tax purposes, the accrual method of accounting shall be used, unless the Tax Commissioner, in writing, consents to the use of another method. Accrual basis taxpayers may deduct bad debts only in the year to which they relate.

(2) Change of accounting methods. -- If a taxpayer's method of accounting is changed for federal income tax purposes, the taxpayer's method of accounting for purposes of this article is similarly changed. The taxpayer shall provide a copy of the authorization for the change from the Internal Revenue Service with its annual return for the taxable year filed under this article.

(d) Adjustments. -- In computing a taxpayer's liability for tax for any taxable year under a method of accounting different from the method under which the taxpayer's liability for tax under this article for the previous year was computed, there shall be taken into account those adjustments which are determined, under rules promulgated by the Tax Commissioner in accordance with article three, chapter twenty-nine-a of this code, to be necessary solely by reason of the change in order to prevent amounts from being duplicated or omitted.

WV Legislature