WEST VIRGINIA CODE: §11-21-10

§11-21-10. Low income exclusion.

(a) Earned income exclusion. -- In the case of an eligible taxpayer, there shall be allowed as a deduction from federal adjusted gross income the amount of his or her earned income included therein, not to exceed $10,000, except that when a husband and wife file separate returns under this article this exclusion shall not exceed $5,000 per separate return: Provided, That for the taxable year beginning January 1, 1996, the exclusion provided for in this section shall apply only to earned income received after June 30, 1996, and the amount excluded shall not exceed fifty percent of the annual low income exclusion amounts set forth in this subsection.

(b) "Eligible taxpayer" defined. -- The term "eligible taxpayer" means:

(1) Any unmarried individual and any husband and wife filing a joint return under this article who has or have federal adjusted gross income of $10,000 or less for the taxable year; or

(2) Any husband or wife filing a separate return under this article who has federal adjusted gross income of $5,000 or less.

(c) "Earned income" defined. --

(1) The term "earned income" means:

(A) Wages, salaries, tips, and other employee compensation; plus

(B) The amount of the taxpayer's net earnings from self-employment for the taxable year (within the meaning of Section 1402(a) of the Internal Revenue Code), but such net earnings shall be determined with regard to the deduction allowed to the taxpayer under Section 164 of the Internal Revenue Code.

(2) For purposes of this section:

(A) The earned income of an individual shall be computed without regard to any community property laws;

(B) No amount received as pension or annuity shall be taken into account; and

(c) No amount received for services provided by an individual while the individual is an inmate at a penal institution shall be taken into account.

(d) Taxable year must be full taxable year. -- Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowed under this section in the case of a taxable year covering a period of less than twelve months.

WV Legislature