WEST VIRGINIA CODE: §11-21-12m

§11-21-12m. Additional modifications related to a Jumpstart Savings Account.

- (a) Modification for contributions. —
- (1) For taxable years beginning on or after January 1, 2022, a modification reducing federal adjusted gross income is hereby authorized in an amount equal to a West Virginia taxpayer's contribution to a Jumpstart Savings Account for the taxable year in which the payment is made, in accordance with §18-30A-1 *et seq.* of this code, but only to the extent the amount is not allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the taxable year.
- (2) The decreasing modification allowed pursuant to this subsection may not exceed \$25,000 in a single taxable year: *Provided*, That the taxpayer may also elect to carry forward the modification over a period not to exceed five taxable years, beginning in the taxable year in which the contribution was made.
- (b) Decreasing modification for qualified distributions not deductible from federal adjusted gross income. -
- (1) For taxable years beginning on or after January 1, 2022, a modification reducing federal adjusted gross income is hereby authorized in an amount equal to the entire amount of a distribution from a Jumpstart Savings Account received by a distributee that is used to pay for qualified expenses described in §18-30A-3(a)(11)(D) of this code. Such decreasing modification is authorized for the taxable year the distribution is made to the distributee, but only to the extent the distribution amount is not allowable as a deduction when arriving at the distributee's federal adjusted gross income for the taxable year when the distribution was made. Any decreasing modification applied by a distributee shall be subject to disallowance to the extent that the distributed moneys are not used to pay for qualified expenses, as defined in §18-30A-3(a)(11)(D) of this code in the taxable year of receipt of the distribution or the next succeeding taxable year.
- (2) The decreasing modification allowed pursuant to this subsection may not exceed \$25,000 for the taxable year.
- (c) Increasing modification for distributions not used for qualified expenses. For taxable years beginning on or after January 1, 2023, there shall be added to the federal adjusted gross income of a distributee, unless already included in federal adjusted gross income for the taxable year, any amount previously applied to a decreasing modification of federal adjusted gross income pursuant to subsection (a) of this section for any amount contributed to a Jumpstart Savings Account, that is subsequently withdrawn from said account and not used for qualified expenses in the taxable year of receipt of the distribution or the next succeeding taxable year.

- (d) Modification for rollover of certain distributions. A modification reducing federal adjusted gross income is hereby authorized for the account owner, to the extent that the amount is not allowable as a deduction when arriving at the account owner's federal adjusted gross income, in the amount as follows:
- (1) An amount equal to a distribution from a Jumpstart Savings Account received in the taxable year, if the account owner deposits such amount into a West Virginia ABLE Account within 30 days of receiving the distribution, according to the requirements of §18-30A-1 et seq. of this code; and
- (2) An amount equal to the portion of a distribution received in the taxable year from a college savings account, established pursuant to §18-30-1 *et seq.* of this code, if the taxpayer deposits the amount into a Jumpstart Savings Account within 30 days of receiving the distribution according to the requirements of §18-30A-1 *et seq.* of this code.
- (e) Nothing in this section shall be construed to decrease or otherwise impact any person's federal tax obligations or to authorize any act which violates federal law.
- (f) Definitions. For the purposes of this section:
- "Distributee" means the person who is authorized to receive distributions from a Jumpstart Savings Account, according to §18-30A-1 *et seq*. of this code and the legislative rules and procedures adopted by the Board of Trustees of the West Virginia College and Jumpstart Savings Programs.
- "Qualified expense" has the meaning provided in §18-30A-3 of this code.
- (g) The modifications authorized in this section are authorized in addition to amounts authorized to be subtracted from federal adjusted gross income pursuant to §11-21-12 of this code.
- (h) The amendments to this section adopted during the regular session of the Legislature, 2023, are effective January 1, 2023.