

# WEST VIRGINIA CODE: §11-21-17a

## **§11-21-17a. Resident shareholders of S corporations.**

(a) S corporation shareholder's modifications. — In determining West Virginia adjusted gross income and West Virginia taxable income of a resident S corporation shareholder, any modification described in §11-21-12(b), §11-21-12(c), §11-21-12(d), or §11-21-12j of this code, which relates to an item of income, gain, loss or deduction shall be made in accordance with the S corporation shareholder's pro rata share, for federal income tax purposes, of the items to which the modifications relate. Where a shareholder's pro rata share of any such item is not required to be taken into account separately for federal income tax purposes, the shareholder's pro rata share of such item shall be his or her pro rata share for federal income tax purposes of S corporation taxable income or loss generally.

(b) Character of items. — Each item of S corporation income, gain, loss or deduction shall have the same character for a shareholder under this article as for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a shareholder as if realized directly from the source from which realized by the S corporation, or incurred in the same manner as incurred by the S corporation.