WEST VIRGINIA CODE: §11-21-6

§11-21-6. Accounting periods and methods.

(a) Accounting periods. -- A taxpayer's taxable year under this article shall be the same as his taxable year for federal income tax purposes.

(b) Change of accounting periods. -- If a taxpayer's taxable year is changed for federal income tax purposes, his taxable year for purposes of this article shall be similarly changed. If a taxable year of less than twelve months results from a change of taxable year, the West Virginia standard deduction, the West Virginia personal exemptions and the credits allowed under section eight shall be prorated under regulations of the Tax Commissioner.

(c) Accounting methods. -- A taxpayer's method of accounting under this article shall be the same as his method of accounting for federal income tax purposes. In the absence of any method of accounting for federal income tax purposes, West Virginia taxable income shall be computed under such method as in the opinion of the Tax Commissioner clearly reflects income.

(d) Change of accounting methods. -- (1) If a taxpayer's method of accounting is changed for federal income tax purposes, his method of accounting for purposes of this article shall be similarly changed.

(2) If a taxpayer's method of accounting is changed, other than from an accrual to an installment method, any additional tax which results from adjustments determined to be necessary solely by reason of the change shall not be greater than if such adjustments were rateably allocated and included for the taxable year of the change and the preceding taxable years, not in excess of two, during which the taxpayer used the method of accounting from which the change is made.

(3) If a taxpayer's method of accounting is changed from an accrual to an installment method, any additional tax for the year of such change of method and for any subsequent year which is attributable to the receipt of installment payments properly accrued in a prior year shall be reduced by the portion of tax for any prior taxable year attributable to the accrual of such installment payments, in accordance with regulations of the Tax Commissioner.

WV Legislature