

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1937



ENROLLED

Com. Sub. for

HOUSE BILL No. 102

(By ~~Mr.~~ *Com. on Tax. & Finance.*)



PASSED March 12, 1937

In Effect from Passage

ENROLLED
COMMITTEE SUBSTITUTE FOR
House Bill No. 102

(Originating in the House Committee on Taxation and Finance)

[Passed March 12, 1937; in effect from passage.]

AN ACT to amend and reenact sections three, thirty, thirty-three and forty-two, article thirteen-a, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended by chapter eighty-nine, acts of the Legislature, regular session, one thousand nine hundred thirty-five, relating to personal net income tax.

Be it enacted by the Legislature of West Virginia:

That sections three, thirty, thirty-three and forty-two, article thirteen-b, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended by chapter eighty-nine, acts of the Legislature, one thousand nine hundred thirty-five, be amended and reenacted to read as follows:

Article XIII-B.Section 3. *Graduated Tax on Net Income of Residents of*

2 *State.* Every resident of this state annually shall pay upon
3 his entire net income, after deducting exemptions provided
4 in section thirty-three of this article, a tax computed on the
5 following rates:

6 On the first one thousand dollars of net income or any
7 part thereof, one per cent.

8 On the second one thousand dollars of net income or any
9 part thereof, two per cent.

10 On the third one thousand dollars of net income or any
11 part thereof, three per cent.

12 On all net income in excess of three thousand dollars, four
13 per cent.

Sec. 30. *Determination of Gain or Loss from Sale of Prop-*

2 *erty.* The basis for determining the gain or loss from the
3 sale or other disposition of property, real, personal or mixed,
4 shall be, in the case of property:

5 1. Acquired before January first, one thousand nine hun-
6 dred thirty-five, the fair market price as of that date; and if

7 acquired after January first, one thousand nine hundred
8 thirty-five, the actual cost.

9 2. Included in the last preceding inventory used in de-
10 termining net income in a return under this article, the in-
11 ventory value.

12 The final distribution to the taxpayer of the assets of a
13 corporation shall be treated as a sale of the stock or securities
14 of the corporation owned by him, and the gain or loss shall
15 be computed accordingly.

Sec. 33. *Allowable Deductions from Net Income.* There

2 shall be deducted from net income the following exemptions:

3 1. In the case of a single individual, a personal exemption
4 of one thousand dollars;

5 2. In the case of a head of the family or a married person
6 living with husband or wife, a personal exemption of two
7 thousand dollars. A husband and wife living together shall
8 receive but one personal exemption. If such husband and
9 wife make separate returns, the personal exemption may be
10 taken by either or divided between them;

11 3. Three hundred dollars for each individual (other than
12 husband and wife) dependent upon and receiving his chief

13 support from the taxpayer, if such dependent individual is
14 under eighteen years of age or is incapable of self-support
15 because mentally or physically defective;

16 4. If the status of the taxpayer, insofar as it affects the
17 exemptions allowed by this section, changes during the tax
18 year, such exemptions shall be apportioned, under rules and
19 regulations prescribed by the tax commissioner.

20 *Sec. 42. Reports to Tax Commissioner by Employer of*
21 *Yearly Salaries and Other Payments.* In order to aid in
22 the effective administration of this article and the procure-
23 ment of complete returns, the tax commissioner, under such
24 reasonable rules and regulations as are necessary, may re-
25 quire a person who pays during the calendar year, within
26 this state, in excess of one thousand dollars to a single person
27 or in excess of two thousand dollars to a married person ac-
28 tually living with husband or wife, as salary, compensation
29 for personal services, or for fixed or determined gain, profit
30 or income, to report every such payment and the name and
31 address of the recipient, if known, to such tax commissioner.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

W. B. Galt

Chairman Senate Committee

W. B. Baker

Chairman House Committee

Originated in the.....

Takes effect..... passage.

Chas. J. Miller

Clerk of the Senate

W. S. Stace

Clerk of the House of Delegates

Chas. E. Hodges

President of the Senate

J. K. Thomas

Speaker House of Delegates

The within *Approved* this the *18th*

day of *March*, 1937.

James A. Holt

Governor.

Filed in the office of the Secretary of State of West Virginia. **MAR 19 1937**

Wm. S. O'BRIEN,
Secretary of State