

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1974



ENROLLED

HOUSE BILL No. 1283

(By Mr. Pauley)



PASSED March 5, 1974

In Effect Amely Day From Passage



FILED IN THE OFFICE
EDGAR F. BELSKELL III
SECRETARY OF STATE
THIS DATE 3-22-74

1283

ENROLLED

H. B. 1283

(By MR. PAULEY)

[Passed March 5, 1974; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article twenty-four, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to updating meaning of terms in corporation net income tax.

Be it enacted by the Legislature of West Virginia:

That section three, article twenty-four, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 24. CORPORATION NET INCOME TAX.

**PART I—DEFINITIONS, IMPOSITION OF TAX AND
RATE, AND EXEMPTIONS.**

§11-24-3. Meaning of terms.

1 (a) *General.*—Any term used in this article shall have
2 the same meaning as when used in a comparable context in the
3 laws of the United States relating to federal income taxes,
4 unless a different meaning is clearly required by the context
5 or by definition in this article. Any reference in this article
6 to the laws of the United States or to the Internal Revenue
7 Code or to the federal income tax law shall mean the pro-
8 visions of the laws of the United States as relate to the deter-
9 mination of income for federal income tax purposes. All
10 amendments made to the laws of the United States prior
11 to the first day of January, one thousand nine hundred seventy-

12 four, shall be given effect in determining the taxes imposed
13 by this article for the tax period beginning the first day of
14 July, one thousand nine hundred seventy-four, and thereafter,
15 but no amendment to laws of the United States made on or
16 after the first day of January, one thousand nine hundred
17 seventy-four, shall be given effect.

18 (b) *Certain terms defined.*—For purposes of this article:

19 (1) The term “tax commissioner” means the tax
20 commissioner of the state of West Virginia or his dele-
21 gate.

22 (2) The term “corporation” means and includes a joint-
23 stock company or any association which is taxable as a
24 corporation under the federal income tax law.

25 (3) The term “domestic corporation” means any corpora-
26 tion organized under the laws of West Virginia.

27 (4) The term “foreign corporation” means any corporation
28 other than a domestic corporation.

29 (5) The term “state” means any state of the United States,
30 the District of Columbia, the Commonwealth of Puerto Rico,
31 any territory or possession of the United States, and any
32 foreign country or political subdivision thereof.

33 (6) The term “taxable year” means the taxable year for
34 which the taxable income of the taxpayer is computed under
35 the federal income tax law.

36 (7) The term “taxpayer” means a corporation subject to
37 the tax imposed by this article.

38 (8) The term “tax” includes, within its meaning, interest
39 and penalties unless the intention to give it a more limited
40 meaning is disclosed by the context.

41 (9) The term “commercial domicile” means the principal
42 place from which the trade or business of the taxpayer is
43 directed or managed.

44 (10) The term “compensation” means wages, salaries,
45 commissions and any form of remuneration paid to employees
46 for personal services.

47 (11) The term “West Virginia taxable income” means the
48 taxable income of a corporation as defined by the laws of the
49 United States for federal income tax purposes, adjusted as
50 provided in section six: *Provided*, That in the case of a
51 corporation having income from business activity which is
52 taxable without this state, its “West Virginia taxable income”
53 shall be such portion of its taxable income as so defined and
54 adjusted as is allocated or apportioned to this state under the
55 provisions of section seven.

56 (12) The term “business income” means income arising
57 from transactions and activity in the regular course of the
58 taxpayer’s trade or business and includes income from tangible
59 and intangible property if the acquisition and disposition of
60 the property constitute integral parts of the taxpayer’s regular
61 trade or business operations.

62 (13) “Nonbusiness income” means all income other than
63 business income.

64 (14) The term “public utility” means any business activity
65 to which the jurisdiction of the public service commission of
66 West Virginia extends under section one, article two, chapter
67 twenty-four of the code of West Virginia.

68 (15) The term “this code” means the code of West Vir-
69 ginia, one thousand nine hundred thirty-one, as amended.

70 (16) The term “this state” means the state of West Vir-
71 ginia.

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

H. Darrel Derby
Chairman Senate Committee

James C. Stuckey
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Howard Beason
Clerk of the Senate

W. Blankenship
Clerk of the House of Delegates

H. P. Brotherton, Jr.
President of the Senate

Lewis W. Menus
Speaker House of Delegates

The within approved this the 20th
day of March, 1974.

Arch A. Shaw, Jr.
Governor

PRESENTED TO THE
GOVERNOR

Date 3/8/74

Time 11:47 a.m.