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OFFICE OF  
SECRETARY OF STATE  
STATE OF WEST VIRGINIA

**WEST VIRGINIA LEGISLATURE**  
**REGULAR SESSION, 1976**



**ENROLLED**

HOUSE BILL No. 1702

(By Mr. Burke)



PASSED March 17, 1976

In Effect ninety days from Passage



FILED IN THE OFFICE OF  
SECRETARY OF STATE OF  
WEST VIRGINIA

THIS DATE 4-2-76

*[Handwritten scribbles and lines on the left margin]*

**ENROLLED**

# **H. B. 1702**

(By MR. BURKE)

(Originating in the House Committee on Finance)

[Passed March 17, 1976; in effect ninety days from passage.]

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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 used in the West Virginia corporation net income tax act.

*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  
9 determination of income for federal income tax purposes.

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

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

19 (1) The term “tax commissioner” means the tax com-  
20 missioner of the state of West Virginia or his delegate.

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

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

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

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

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

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

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

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

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

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

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

61 (13) The term “nonbusiness income” means all income  
62 other than business income.

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

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

69 (16) The term “this state” means the state of West  
70 Virginia.

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

*James L. Davis*  
Chairman Senate Committee

*Clarence Chestnut*  
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

*John Sullivan Jr.*  
Clerk of the Senate

*W. Blankenship*  
Clerk of the House of Delegates

*H. S. ...*  
President of the Senate

*Lewis F. M. ...*  
Speaker House of Delegates

The within *approved* this the *1st*  
day of *April*, 1976.

*Quinn T. ...*  
Governor

PRESENTED TO THE  
GOVERNOR

Date 3/26/76

Time 3:45 p.m.