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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

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ENROLLED

H. B. 1702

(By MR. BURKE)

(Originating in the House Committee on Finance)

[Passed March 17, 1976; 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 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 C. Chestnut
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

John D. Sullivan Jr.
Clerk of the Senate

W. B. Blankenship
Clerk of the House of Delegates

H. R. Byrd
President of the Senate

Lewis K. McManus
Speaker House of Delegates

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

Quayle R. Sawyer Jr.
Governor

PRESENTED TO THE
GOVERNOR

Date 3/26/76

Time 3:45 p.m.