

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1977



ENROLLED

SENATE BILL NO. 577

(By Mr. Beatherton, Sr. President)



PASSED April 7 1977

In Effect from Passage



No: 577

ENROLLED

Senate Bill No. 577

(By MR. BROTHERTON, MR. PRESIDENT)

[Passed April 7, 1977; in effect 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 con-
3 text in the laws of the United States relating to federal
4 income taxes, unless a different meaning is clearly re-
5 quired by the context or by definition in this article.
6 Any reference in this article to the laws of the United
7 States or to the Internal Revenue Code or to the federal
8 income tax law shall mean the provisions of the laws of
9 the United States as relate to the determination of in-
10 come for federal income tax purposes. All amendm^ents
11 made to the laws of the United States prior to the first
12 day of January, one thousand nine hundred seventy-
13 seven, shall be given effect in determinⁱng the taxes
14 imposed by this article for the tax period beginning

15 the first day of January, one thousand nine hundred
16 seventy-seven, and thereafter, but no amendment to laws
17 of the United States made on or after the first day of
18 January, one thousand nine hundred seventy-seven, shall
19 be given effect.

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

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

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

26 (3) The term “domestic corporation” means any cor-
27 poration organized under the laws of West Virginia.

28 (4) The term “foreign corporation” means any corpo-
29 ration other than a domestic corporation.

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

35 (6) The term “taxable year” means the taxable year
36 for which the taxable income of the taxpayer is com-
37 puted under the federal income tax law.

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

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

43 (9) The term “commercial domicile” means the prin-
44 cipal place from which the trade or business of the tax-
45 payer is directed or managed.

46 (10) The term “compensation” means wages, salaries,
47 commissions and any form of remuneration paid to em-
48 ployees for personal services.

49 (11) The term “West Virginia taxable income” means
50 the taxable income of a corporation as defined by the
51 laws of the United States for federal income tax purposes,
52 adjusted as provided in section six: *Provided*, That in
53 the case of a corporation having income from business

54 activity which is taxable without this state, its "West
55 Virginia taxable income" shall be such portion of its
56 taxable income as so defined and adjusted as is allocated
57 or apportioned to this state under the provisions of sec-
58 tion seven.

59 (12) The term "business income" means income aris-
60 ing from transactions and activity in the regular course
61 of the taxpayer's trade or business and includes income
62 from tangible and intangible property if the acquisition
63 and disposition of the property constitute integral parts
64 of the taxpayer's regular trade or business operations.

65 (13) The term "nonbusiness income" means all income
66 other than business income.

67 (14) The term "public utility" means any business
68 activity to which the jurisdiction of the public service
69 commission of West Virginia extends under section one,
70 article two, chapter twenty-four of the code of West
71 Virginia.

72 (15) The term "this code" means the code of West
73 Virginia, one thousand nine hundred thirty-one, as
74 amended.

75 (16) The term "this state" means the state of West
76 Virginia.

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

James L. Davis
Chairman Senate Committee

Clarence C. Chesham
Chairman House Committee

Originated in the Senate.

To take effect from passage.

J. S. Dillon Jr.
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

W. I. Bush
President of the Senate

Donald L. Kopp
Speaker House of Delegates

The within is approved this the 24
day of April, 1977.

John R. Rhyne
Governor



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OFFICE OF THE GOVERNOR

APPROVED AND SIGNED BY THE GOVERNOR

Date April 24, 1977

Time 1:20 p.m.

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OFFICE
SECRETARY OF STATE