

APPROVED AND SIGNED BY THE GOVERNOR

Date 3-12-81

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No: 169

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1981



# ENROLLED

SENATE BILL NO. 169

(By Mr. Williams)



PASSED March 2, 1981

In Effect from Passage



**ENROLLED**  
**Senate Bill No. 169**

(By MR. WILLIAMS)

[Passed March 2, 1981; 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 the meaning of terms used in the West Virginia corporation net income tax *act. Sec*

*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 the  
2 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 to  
6 the laws of the United States or to the Internal Revenue Code  
7 or to the federal income tax law shall mean the provisions of  
8 the laws of the United States as relate to the determination of  
9 income for federal income tax purposes. All amendments  
10 made to the laws of the United States prior to the first day of  
11 January, one thousand nine hundred eighty-one, shall be  
12 given effect in determining the taxes imposed by this article  
13 for the tax period beginning the first day of January, one  
14 thousand nine hundred eighty, and thereafter, but no

15 amendment to laws of the United States made on or after the  
16 first day of January, one thousand nine hundred eighty-one,  
17 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 delegate.

21 (2) The term “corporation” means and includes a  
22 joint-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  
25 corporation 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 States,  
29 the District of Columbia, the Commonwealth of Puerto Rico,  
30 any territory or possession of the United States, and any  
31 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, interest  
38 and penalties unless the intention to give it a more limited  
39 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  
45 employees 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 the  
48 United States for federal income tax purposes, adjusted as  
49 provided in section six of this article: *Provided*, That in the  
50 case of a corporation having income from business activity  
51 which is taxable without this state, its “West Virginia taxable  
52 income” shall be such portion of its taxable income as so  
53 defined and adjusted as is allocated or apportioned to this  
54 state under the provisions of section seven of this article.

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  
58 tangible and intangible property if the acquisition and  
59 disposition of the property constitute integral parts of the  
60 taxpayer's 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 Virginia.

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

*[Handwritten Signature]*  
Chairman Senate Committee

*[Handwritten Signature]*  
Chairman House Committee

Originated in the Senate.

To take effect from passage.

*[Handwritten Signature]*  
Clerk of the Senate

*[Handwritten Signature]*  
Clerk of the House of Delegates

*[Handwritten Signature]*  
President of the Senate

*[Handwritten Signature]*  
Speaker House of Delegates

The within is approved this the 12  
day of March, 1981.

*[Handwritten Signature]*  
Governor



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