WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1983

ENROLLED
Committee Substitute for
SENATE BILL NO. 310

(By Mr. [Name], President)

PASSED March 12, 1983
In Effect from Passage
AN ACT to amend and reenact sections two, two-k, three and three-b, article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended; to amend and reenact sections three, four-c, four-d, sixteen and seventy-one, article twenty-one of said chapter eleven; to amend said article twenty-one by adding thereto a new section, designated section four-e; to amend and reenact sections four and nine, article twenty-four of said chapter eleven; and to further amend said article twenty-four by adding thereto three new sections, designated sections four-a, ten and seventeen-a, all relating to taxation on account of business and other activities on personal income, corporation net income, gross income and gross values; providing for the transitional reduction of business and occupation tax during five-year period beginning the first day of July, one thousand nine hundred eighty-five through June thirtieth, one thousand nine hundred ninety, and exception; providing for temporary surtax on redefined gross income of persons engaged in banking or financial business; increasing business and occupation tax annual exemption; amending definitions; providing for increase in personal income tax rate brackets above specified level; providing for temporary surtax on
personal income in certain brackets; establishing minimum
tax on personal income; creating separate classification and
rate tables for heads of households; providing for effect of
any rate changes during taxable year; increasing the amount
of the West Virginia personal income tax exemption and
providing for withholding conformity therewith; changing
corporation net income tax rate and providing for two-rate
brackets; imposing temporary surtax on corporations net
income; providing for effect of any rate changes during
taxable year; reducing amount of business and occupation
tax or carrier tax credits applicable against corporation net
income tax liability; providing for taxpayer, at his option, to
elect full deduction of such tax liabilities in lieu of credit;
providing a credit to manufacturing employers for hiring
qualified employees during specified period, amount of
credit and period thereof, limitations thereon and
definitions thereof; and providing for application of interest
to underpayments of tax or estimated tax.

Be it enacted by the Legislature of West Virginia:
That sections two, two-k, three and three-b, article thirteen,
chapter eleven of the code of West Virginia, one thousand nine
hundred thirty-one, as amended, be amended and reenacted;
that sections three, four-c, four-d, sixteen and seventy-one,
article twenty-one of said chapter eleven be amended and
reenacted; that said article twenty-one be further amended by
adding thereto a new section, designated section four-e; that
sections four and nine, article twenty-four of said chapter eleven,
be amended and reenacted; and that said article twenty-four be
further amended by adding thereto three new sections,
designated sections four-a, ten and seventeen-a, all to read as
follows:

CHAPTER 11. TAXATION.

ARTICLE 13. BUSINESS AND OCCUPATION TAX.

§11-13-2. Imposition of privilege tax; transitional reduction,
across-the-board, of tax during five-year period
July one, one thousand nine hundred eighty-five
through June thirtieth, one thousand nine
hundred ninety.

There is hereby levied and shall be collected annual
privilege taxes against the persons, on account of the
business and other activities, and in the amounts to be
determined by the application of rates against values or
gross income as set forth in sections two-a to two-m
inclusive, of this article and the application of the surtax
rate against gross income as set forth in section two-k.
During the five-year period, beginning on the first day of
July, one thousand nine hundred eighty-five and through
the thirtieth day of June, one thousand nine hundred ninety,
the taxes imposed by this section and at the rates set forth in
sections two-a through two-m, and the surtax imposed in
section two-k, shall be reduced by five percent for each year
thereof through reduction of the rates applicable and in
effect on the first day of July, one thousand nine hundred
eighty-five: Provided, That there shall be no such reduction
of the tax imposed in section two-l for the use and benefit of
counties and municipalities.
If any person liable for any tax under sections two-a,
two-l or two-m shall ship or transport his products or any
part thereof out of the state without making sale of such
products, the value of the products in the condition or form
in which they exist immediately before transportation out
of the state shall be the basis for the assessment of the tax
imposed in said section, except in those instances in which
another measure of the tax is expressly provided. The tax
commissioner shall prescribe equitable and uniform rules
for ascertaining such value.
In determining value, however, as regards sales from one
to another of affiliated companies or persons, or under
other circumstances where the relation between the buyer
and seller is such that the gross proceeds from the sale are
not indicative of the true value of the subject matter of the
sale, the tax commissioner shall prescribe uniform and
equitable rules for determining the value upon which such
privilege tax shall be levied, corresponding as nearly as
possible to the gross proceeds from the sale of similar
products of like quality or character where no common
interest exists between the buyer and seller but the
circumstances and conditions are otherwise similar.
Gross income included in the measure of the tax under
sections two-a, two-b, two-l and two-m of this article shall
neither be added nor deducted in computing the tax levied
under the other sections of this article.
A person exercising any privilege taxable under section two-a, two-b, two-I or two-m of this article and engaging in the business of selling his natural resources, manufactured products or electricity at retail in this state shall be required to make returns of the gross proceeds of such retail sales and pay the tax imposed in section two-c of this article for the privilege of engaging in the business of selling such natural resources, manufactured products or electricity at retail in this state. But any person exercising any privilege taxable under section two-a, two-b, two-I or two-m of this article and engaging in the business of selling his natural resources, manufactured products or electricity to producers of natural resources, manufacturers, wholesalers, jobbers, retailers or commercial consumers for use or consumption in the purchaser's business shall not be required to pay the tax imposed in section two-c of this article.

Persons exercising any privilege taxable under section two-b or two-m of this article shall not be required to pay the tax imposed in section two-c of this article for the privilege of selling their manufactured products or electricity for delivery outside of this state, but the gross income derived from the sale of such products or electricity outside of this state shall be included in determining the measure of the tax imposed on such person in section two-b or two-m.

A person exercising privileges taxable under the other sections of this article, producing coal, oil, natural gas, minerals, timber or other natural resource products, the production of which is taxable under sections two-a and two-I, and using or consuming the same in his business or transferring or delivering the same as any royalty payment, in kind, or the like, shall be deemed to be engaged in the business of mining and producing coal, oil, natural gas, minerals, timber or other natural resource products for sale, profit or commercial use, and shall be required to make returns on account of the production of the business showing the gross proceeds or equivalent in accordance with uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from the sale of similar products of like quality or character.
§11-13-2k. Banking and other financial business; rate of tax; additional, temporary surtax imposed and period thereof; legislative findings.

Upon every person engaging or continuing within this state in the business of banking or financial business, from and after the first day of April, one thousand nine hundred seventy-one, the tax shall be equal to one and fifteen one-hundredths percent of the gross income received from interest, premiums, discounts, dividends, service fees or charges, commissions, fines, rents from real or tangible personal property, however denominated, royalties, charges for bookkeeping or data processing, receipts from check sales, charges or fees, and receipts from the sale of tangible personal property: Provided, That gross income shall not include (a) interest received on the obligations of the United States, its agencies and instrumentalities, (b) interest received on the obligations of this state, or any political subdivision of this state, or (c) interest received on investments or loans primarily secured by first mortgages or deeds of trust on residential property occupied by nontransients: Provided, however, That all interest derived on activities exempt under (c) above, shall be reported, as to amounts, on the return of a person taxable under the provisions of this section.

In addition to the primary tax hereinabove, there is hereby imposed an additional, temporary surtax of fifteen percent of such primary tax liability and with such primary tax and additional tax, the temporary surtax, together, to constitute the tax imposed by this section. Such additional, temporary surtax is imposed for the period on and after the first day of June, one thousand nine hundred eighty-three and to expire, be nullified and of no further force or effect whatsoever after the thirtieth day of June, one thousand nine hundred eighty-five.

Persons taxed pursuant to the provisions of this section shall not be taxed under sections two-a to two-j, inclusive, or section two-l or two-m of this article.

The Legislature hereby finds and declares that it is the intent of the Legislature to subject national banking associations and other financial organizations to the tax
imposed by this article, in accordance with the 
authorization contained in section five thousand two 
hundred nineteen of the Revised Statutes of the United 
States as amended by Public Law 91-156 enacted the 
twenty-fourth day of December, one thousand nine 
hundred sixty-nine.

§11-13-3. Exemptions; transitional increase of annual 
exemption and periods thereof.

For any tax imposed under the provisions of this article 
with respect to any period prior to the first day of July, one 
thousand nine hundred eighty-three, there shall be an 
exemption in every case of fifty dollars in amount of tax 
computed under the provisions of this article. A person 
exercising a privilege taxable hereunder for a fractional 
part of a tax year shall be entitled to an exemption of the 
sum bearing the proportion to fifty dollars that the period of 
time the privilege is exercised bears to a whole year. Only 
one exemption shall be allowed to any one person, whether 
he exercises one or more privileges taxable hereunder.

For any tax imposed under the provisions of this article 
with respect to (a) the period beginning on and after the first 
day of July, one thousand nine hundred eighty-three and 
through the thirtieth day of June, one thousand nine 
hundred eighty-four, there shall be an exemption in every 
case of twenty-five dollars per month; (b) the period 
beginning on and after the first day of July, one thousand 
ine hundred eighty-four and through the thirtieth day of 
June, one thousand nine hundred eighty-five, there shall be 
an exemption in every case of thirty-three dollars and 
three cents per month; and (c) the period beginning 
on or after the first day of July, one thousand nine hundred 
eighty-five, there shall be an exemption in every case of 
fourty-one dollars and sixty-seven cents per month in 
amount of tax computed under the provisions of this article. 
Only one exemption shall be allowed to any one person, 
whether he exercises one or more privileges taxable 
hereunder.

The provisions of this article shall not apply to: (a) 
Insurance companies which pay the state of West Virginia a 
tax upon premiums: Provided, That said exemption shall 
not extend to that part of the gross income of insurance
companies which is received for the use of real property, 
other than property in which any such company maintains 
its office or offices, in this state, whether such income be in 
the form of rentals or royalties; (b) nonprofit cemetery 
companies organized and operated for the exclusive benefit 
of their members; (c) fraternal societies, organizations and 
associations organized and operated for the exclusive 
benefit of their members and not for profit: Provided, That 
said exemption shall not extend to that part of the gross 
income arising from the sale of alcoholic liquor, food and 
related services, of such fraternal societies, organizations 
and associations which are licensed as private clubs under 
the provisions of article seven, chapter sixty of this code; (d) 
corporations, associations and societies organized and 
operated exclusively for religious or charitable purposes; 
(e) production credit associations, organized under the 
provisions of the federal “Farm Credit Act of 1933”; (f) any 
credit union organized under the provisions of chapter 
thirty-one, or any other chapter of this code: Provided, That 
the exemptions of this section shall not apply to 
corporations or cooperative associations organized under 
the provisions of article four, chapter nineteen of this code; 
(g) gross income derived from advertising service rendered 
in the business of radio and television broadcasting; and (h) 
the gross income or gross proceeds of sale of a gasification 
or liquefaction of coal project in the demonstration, pilot or 
research stages: Provided, That prior to the commencement 
or operation of any such project, the tax commissioner shall 
have first certified the project as eligible for such 
exemption: Provided, however, That such exemption shall 
expire seven years from the date the project first receives 
gross income or gross proceeds from sales.

§11-13-3b. Definitions; reduction allowed in tax due; how 
computed.

When used in this section, the phrase “normal tax” means 
the tax computed by the application of rates against values 
or gross incomes as set forth in sections two-a to two-m, 
inclusive, in this article, less the amount of the annual 
exemption for the period actually engaged in business.
The normal tax shall be computed by the application of 
rates against values or gross income as set forth in sections 
two-a to two-m, inclusive, of this article, less the amount of
the annual exemption allowed and determined under section three of this article.
The surtax shall be computed by the application of the surtax rate against gross income as set forth in section two-k of this article.

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-3. Imposition of tax; additional, temporary surtax imposed; and effective and termination dates; minimum tax; persons subject to tax.

(a) Imposition of tax.

(1) Primary tax.—A tax determined in accordance with the rates hereinafter set forth in this article is hereby imposed for each taxable year on the West Virginia taxable income of every individual, estate and trust.

(2) Temporary surtax.—In addition to the primary tax imposed upon the persons, for the periods, on West Virginia taxable income, and at the rates, as aforesaid, there is hereby imposed an additional tax, a temporary surtax, of twelve percent of such determined primary tax liability for individuals and heads of household with West Virginia taxable income in excess of ten thousand dollars and for those filing a joint return with West Virginia taxable income in excess of twenty thousand dollars; and with such primary tax and additional tax, the temporary surtax, together with the minimum tax herein, to constitute the tax imposed by this section and under this article.

(3) Minimum tax.—In addition to the primary tax and the temporary surtax imposed by this section, there is imposed a minimum tax, which shall be the excess, if any, by which an amount equal to twenty-five percent of any federal minimum tax or alternative minimum tax for the taxable year exceeds the sum of the primary tax and the temporary surtax imposed by this section for the taxable year.

(4) Effective date.—The additional tax, the temporary surtax herein imposed, and the minimum tax herein imposed are hereby made effective on and after the first day of April, one thousand nine hundred eighty-three. Provided, That the temporary surtax shall expire, be nullified and of no further force or effect whatsoever after the thirtieth day of June, one thousand nine hundred
eighty-five. Section four-e of this article, applicable to the
effect of any rate changes during a taxable year shall be
construed to include and also be applicable to the surtax
imposed in this section or any change of surtax hereafter
during a taxable year.

(b) *Partners and partnerships.*—A partnership as such
shall not be subject to tax under this article. Persons
carrying on business as partners shall be liable for tax
under this article only in their separate or individual
capacities.

(c) *Associations taxable as corporations.*—An
association, trust or other unincorporated organization
which is taxable as a corporation for federal income tax
purposes, shall not be subject to tax under this article.

(d) *Exempt trusts and organizations.*—A trust or other
unincorporated organization which by reason of its
purposes or activities is exempt from federal income tax
shall be exempt from tax under this article (regardless of
whether subject to federal income tax on unrelated business
taxable income).

(e) *Cross references.*—For definitions of West Virginia
taxable income of:

(1) Resident individual, see section eleven.
(2) Resident estate or trust, see section eighteen.
(3) Nonresident individual, see section thirty-one.
(4) Nonresident estate or trust, see section thirty-eight.

§11-21-4c. Rate of tax — taxable periods beginning on or after
January 1, 1971 and ending before April 1, 1983.

(a) *Rate of tax on individuals, heads of households,
estates and trusts.*—The tax imposed by section three of this
article on the West Virginia taxable income of every
individual, every individual who is a head of a household in
the determination of his federal income tax for the taxable
year, and every estate and trust shall be determined in
accordance with the following table:
<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate or Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,000</td>
<td>2.1% of the taxable income</td>
</tr>
<tr>
<td>Over $2,000 but not over $4,000</td>
<td>$42.00, plus 2.3% of excess over $2,000</td>
</tr>
<tr>
<td>Over $4,000 but not over $6,000</td>
<td>$88.00, plus 2.8% of excess over $4,000</td>
</tr>
<tr>
<td>Over $6,000 but not over $8,000</td>
<td>$144.00, plus 3.2% of excess over $6,000</td>
</tr>
<tr>
<td>Over $8,000 but not over $10,000</td>
<td>$208.00, plus 3.5% of excess over $8,000</td>
</tr>
<tr>
<td>Over $10,000 but not over $12,000</td>
<td>$278.00, plus 4.0% of excess over $10,000</td>
</tr>
<tr>
<td>Over $12,000 but not over $14,000</td>
<td>$358.00, plus 4.6% of excess over $12,000</td>
</tr>
<tr>
<td>Over $14,000 but not over $16,000</td>
<td>$450.00, plus 4.9% of excess over $14,000</td>
</tr>
<tr>
<td>Over $16,000 but not over $18,000</td>
<td>$548.00, plus 5.3% of excess over $16,000</td>
</tr>
<tr>
<td>Over $18,000 but not over $20,000</td>
<td>$654.00, plus 5.4% of excess over $18,000</td>
</tr>
<tr>
<td>Over $20,000 but not over $22,000</td>
<td>$762.00, plus 6.0% of excess over $20,000</td>
</tr>
<tr>
<td>Over $22,000 but not over $26,000</td>
<td>$882.00, plus 6.1% of excess over $22,000</td>
</tr>
<tr>
<td>Over $26,000 but not over $32,000</td>
<td>$1,126.00, plus 6.5% of excess over $26,000</td>
</tr>
<tr>
<td>Over $32,000 but not over $38,000</td>
<td>$1,516.00, plus 6.8% of excess over $32,000</td>
</tr>
<tr>
<td>Over $38,000 but not over $44,000</td>
<td>$1,924.00, plus 7.2% of excess over $38,000</td>
</tr>
<tr>
<td>Over $44,000 but not over $50,000</td>
<td>$2,356.00, plus 7.5% of excess over $44,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $60,000</td>
<td>$2,806.00, plus 7.9% of excess over $50,000</td>
</tr>
<tr>
<td>Over $60,000 but not over $70,000</td>
<td>$3,596.00, plus 8.2% of excess over $60,000</td>
</tr>
<tr>
<td>Over $70,000 but not over $80,000</td>
<td>$4,416.00, plus 8.6% of excess over $70,000</td>
</tr>
<tr>
<td>Over $80,000 but not over $90,000</td>
<td>$5,276.00, plus 8.8% of excess over $80,000</td>
</tr>
<tr>
<td>Over $90,000 but not over $100,000</td>
<td>$6,156.00, plus 9.1% of excess over $90,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $150,000</td>
<td>$7,066.00, plus 9.3% of excess over $100,000</td>
</tr>
<tr>
<td>Over $150,000 but not over $200,000</td>
<td>$11,716.00, plus 9.5% of excess over $150,000</td>
</tr>
<tr>
<td>Over $200,000</td>
<td>$16,466.00, plus 9.6% of excess over $200,000</td>
</tr>
</tbody>
</table>
(b) *Rate of tax in case of joint return or return of surviving spouse.*—In the case of a joint return of a husband and wife and the return of an individual who is entitled to file his federal income tax return for the taxable year as a surviving spouse, the tax imposed by section three of this article on the West Virginia taxable income shall be determined in accordance with the following table:
If the West Virginia taxable income is:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $4,000</td>
<td>2.1% of the taxable income</td>
</tr>
<tr>
<td>Over $4,000 but not over $8,000</td>
<td>$84.00, plus 2.3% of excess over $4,000</td>
</tr>
<tr>
<td>Over $8,000 but not over $12,000</td>
<td>$176.00, plus 2.8% of excess over $8,000</td>
</tr>
<tr>
<td>Over $12,000 but not over $16,000</td>
<td>$288.00, plus 3.2% of excess over $12,000</td>
</tr>
<tr>
<td>Over $16,000 but not over $20,000</td>
<td>$416.00, plus 3.5% of excess over $16,000</td>
</tr>
<tr>
<td>Over $20,000 but not over $24,000</td>
<td>$556.00, plus 4.0% of excess over $20,000</td>
</tr>
<tr>
<td>Over $24,000 but not over $28,000</td>
<td>$716.00, plus 4.6% of excess over $24,000</td>
</tr>
<tr>
<td>Over $28,000 but not over $32,000</td>
<td>$900.00, plus 4.9% of excess over $28,000</td>
</tr>
<tr>
<td>Over $32,000 but not over $36,000</td>
<td>$1,096.00, plus 5.3% of excess over $32,000</td>
</tr>
<tr>
<td>Over $36,000 but not over $40,000</td>
<td>$1,308.00, plus 5.4% of excess over $36,000</td>
</tr>
<tr>
<td>Over $40,000 but not over $44,000</td>
<td>$1,524.00, plus 6.0% of excess over $40,000</td>
</tr>
<tr>
<td>Over $44,000 but not over $52,000</td>
<td>$1,764.00, plus 6.1% of excess over $44,000</td>
</tr>
<tr>
<td>Over $52,000 but not over $64,000</td>
<td>$2,252.00, plus 6.5% of excess over $52,000</td>
</tr>
<tr>
<td>Over $64,000 but not over $76,000</td>
<td>$3,032.00, plus 6.8% of excess over $64,000</td>
</tr>
<tr>
<td>Over $76,000 but not over $88,000</td>
<td>$3,848.00, plus 7.2% of excess over $76,000</td>
</tr>
<tr>
<td>Over $88,000 but not over $100,000</td>
<td>$4,712.00, plus 7.5% of excess over $88,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $120,000</td>
<td>$5,612.00, plus 7.9% of excess over $100,000</td>
</tr>
<tr>
<td>Over $120,000 but not over $140,000</td>
<td>$7,192.00, plus 8.2% of excess over $120,000</td>
</tr>
<tr>
<td>Over $140,000 but not over $160,000</td>
<td>$8,832.00, plus 8.6% of excess over $140,000</td>
</tr>
<tr>
<td>Over $160,000 but not over $180,000</td>
<td>$10,552.00, plus 8.8% of excess over $160,000</td>
</tr>
<tr>
<td>Over $180,000 but not over $200,000</td>
<td>$12,312.00, plus 9.1% of excess over $180,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $300,000</td>
<td>$14,132.00, plus 9.3% of excess over $200,000</td>
</tr>
<tr>
<td>Over $300,000 but not over $400,000</td>
<td>$23,432.00, plus 9.5% of excess over $300,000</td>
</tr>
<tr>
<td>Over $400,000</td>
<td>$32,932.00, plus 9.6% of excess over $400,000</td>
</tr>
</tbody>
</table>
Applicability of this section.—The provisions of this section shall be applicable in determining the rate of tax imposed by this article for all taxable years or portions thereof beginning on or after the first day of January, one thousand nine hundred seventy-one, and ending before the first day of April, one thousand nine hundred eighty-three.

§11-21-4d. Rate of tax — taxable periods beginning on or after April 1, 1983.

(a) Rate of tax on individuals, estates and trusts.—The tax imposed by section three of this article on the West Virginia taxable income of every individual, and every estate and trust shall be determined in accordance with the following table:
If the West Virginia taxable income is:

- Not over $2,000: 2.1% of the taxable income
- Over $2,000 but not over $4,000: $42.00, plus 2.3% of excess over $2,000
- Over $4,000 but not over $6,000: $88.00, plus 2.8% of excess over $4,000
- Over $6,000 but not over $8,000: $144.00, plus 3.2% of excess over $6,000
- Over $8,000 but not over $10,000: $208.00, plus 3.5% of excess over $8,000
- Over $10,000 but not over $12,000: $278.00, plus 4.0% of excess over $10,000
- Over $12,000 but not over $14,000: $358.00, plus 5.3% of excess over $12,000
- Over $14,000 but not over $16,000: $464.00, plus 5.9% of excess over $14,000
- Over $16,000 but not over $18,000: $582.00, plus 6.8% of excess over $16,000
- Over $18,000 but not over $20,000: $718.00, plus 7.4% of excess over $18,000
- Over $20,000 but not over $22,000: $866.00, plus 8.2% of excess over $20,000
- Over $22,000 but not over $26,000: $1,030.00, plus 9.2% of excess over $22,000
- Over $26,000 but not over $32,000: $1,398.00, plus 10.5% of excess over $26,000
- Over $32,000 but not over $38,000: $2,028.00, plus 11.6% of excess over $32,000
- Over $38,000 but not over $44,000: $2,724.00, plus 12.6% of excess over $38,000
- Over $44,000 but not over $50,000: $3,480.00, plus 12.9% of excess over $44,000
- Over $50,000 but not over $60,000: $4,254.00, plus 12.9% of excess over $50,000
- Over $60,000 but not over $70,000: $5,544.00, plus 13.0% of excess over $60,000
- Over $70,000 but not over $80,000: $6,844.00, plus 13.0% of excess over $70,000
- Over $80,000 but not over $90,000: $8,144.00, plus 13.0% of excess over $80,000
- Over $90,000 but not over $100,000: $9,444.00, plus 13.0% of excess over $90,000
- Over $100,000 but not over $150,000: $10,744.00, plus 13.0% of excess over $100,000
- Over $150,000 but not over $200,000: $17,244.00, plus 13.0% of excess over $150,000
- Over $200,000: $23,744.00, plus 13.0% of excess over $200,000
(b) *Rate of tax on heads of households.*—The tax imposed by section three of this article, on the West Virginia taxable income of every individual who is a head of a household in the determination of his federal income tax for the taxable year, shall be determined in accordance with the following table:
<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,000</td>
<td>2.1% of taxable income</td>
<td></td>
</tr>
<tr>
<td>Over $2,000 but not over $4,000</td>
<td>$42.00, plus 2.3% of excess over $2,000</td>
<td></td>
</tr>
<tr>
<td>Over $4,000 but not over $6,000</td>
<td>$88.00, plus 2.8% of excess over $4,000</td>
<td></td>
</tr>
<tr>
<td>Over $6,000 but not over $8,000</td>
<td>$144.00, plus 3.2% of excess over $6,000</td>
<td></td>
</tr>
<tr>
<td>Over $8,000 but not over $10,000</td>
<td>$208.00, plus 3.5% of excess over $8,000</td>
<td></td>
</tr>
<tr>
<td>Over $10,000 but not over $12,000</td>
<td>$278.00, plus 3.8% of excess over $10,000</td>
<td></td>
</tr>
<tr>
<td>Over $12,000 but not over $14,000</td>
<td>$354.00, plus 4.7% of excess over $12,000</td>
<td></td>
</tr>
<tr>
<td>Over $14,000 but not over $16,000</td>
<td>$448.00, plus 5.3% of excess over $14,000</td>
<td></td>
</tr>
<tr>
<td>Over $16,000 but not over $18,000</td>
<td>$554.00, plus 6.1% of excess over $16,000</td>
<td></td>
</tr>
<tr>
<td>Over $18,000 but not over $20,000</td>
<td>$676.00, plus 6.6% of excess over $18,000</td>
<td></td>
</tr>
<tr>
<td>Over $20,000 but not over $22,000</td>
<td>$808.00, plus 7.4% of excess over $20,000</td>
<td></td>
</tr>
<tr>
<td>Over $22,000 but not over $26,000</td>
<td>$956.00, plus 8.2% of excess over $22,000</td>
<td></td>
</tr>
<tr>
<td>Over $26,000 but not over $32,000</td>
<td>$1,284.00, plus 9.5% of excess over $26,000</td>
<td></td>
</tr>
<tr>
<td>Over $32,000 but not over $38,000</td>
<td>$1,854.00, plus 10.4% of excess over $32,000</td>
<td></td>
</tr>
<tr>
<td>Over $38,000 but not over $44,000</td>
<td>$2,478.00, plus 11.4% of excess over $38,000</td>
<td></td>
</tr>
<tr>
<td>Over $44,000 but not over $50,000</td>
<td>$3,162.00, plus 11.6% of excess over $44,000</td>
<td></td>
</tr>
<tr>
<td>Over $50,000 but not over $60,000</td>
<td>$3,858.00, plus 11.6% of excess over $50,000</td>
<td></td>
</tr>
<tr>
<td>Over $60,000 but not over $70,000</td>
<td>$5,018.00, plus 11.7% of excess over $60,000</td>
<td></td>
</tr>
<tr>
<td>Over $70,000 but not over $80,000</td>
<td>$6,188.00, plus 13.0% of excess over $70,000</td>
<td></td>
</tr>
<tr>
<td>Over $80,000 but not over $90,000</td>
<td>$7,488.00, plus 13.0% of excess over $80,000</td>
<td></td>
</tr>
<tr>
<td>Over $90,000 but not over $100,000</td>
<td>$8,788.00, plus 13.0% of excess over $90,000</td>
<td></td>
</tr>
<tr>
<td>Over $100,000 but not over $150,000</td>
<td>$10,088.00, plus 13.0% of excess over $100,000</td>
<td></td>
</tr>
<tr>
<td>Over $150,000 but not over $200,000</td>
<td>$16,588.00, plus 13.0% of excess over $150,000</td>
<td></td>
</tr>
<tr>
<td>Over $200,000</td>
<td>$23,088.00, plus 13.0% of excess over $200,000</td>
<td></td>
</tr>
</tbody>
</table>
(c) **Rate of tax in case of joint return or return of surviving spouse.**—In the case of a joint return of a husband and wife and the return of an individual who is entitled to file his federal income tax return for the taxable year as a surviving spouse, the tax imposed by section three of this article on the West Virginia taxable income shall be determined in accordance with the following table:
71 If the West Virginia taxable income is:
72
73 Not over $4,000 ........................................ 2.1% of the taxable income
74 Over $4,000 but not over $8,000 ....................... $84.00, plus 2.3% of excess of over $4,000
75 Over $8,000 but not over $12,000 .......................... $176.00, plus 2.8% of excess of over $8,000
76 Over $12,000 but not over $16,000 ..................... $288.00, plus 3.2% of excess over $12,000
77 Over $16,000 but not over $20,000 ....................... $416.00, plus 3.5% of excess over $16,000
78 Over $20,000 but not over $24,000 ....................... $556.00, plus 4.0% of excess over $20,000
79 Over $24,000 but not over $28,000 ....................... $716.00, plus 5.3% of excess over $24,000
80 Over $28,000 but not over $32,000 ...................... $928.00, plus 5.9% of excess over $28,000
81 Over $32,000 but not over $36,000 ...................... $1,164.00, plus 6.8% of excess over $32,000
82 Over $36,000 but not over $40,000 ...................... $1,436.00, plus 7.4% of excess over $36,000
83 Over $40,000 but not over $44,000 ..................... $1,732.00, plus 8.2% of excess over $40,000
84 Over $44,000 but not over $52,000 ..................... $2,060.00, plus 9.2% of excess over $44,000
85 Over $52,000 but not over $64,000 ..................... $2,796.00, plus 10.5% of excess over $52,000
86 Over $64,000 but not over $76,000 .................... $4,056.00, plus 11.6% of excess over $64,000
87 Over $76,000 but not over $88,000 .................... $5,448.00, plus 12.6% of excess over $76,000
88 Over $88,000 but not over $100,000 .................. $6,960.00, plus 12.9% of excess over $88,000
89 Over $100,000 but not over $120,000 ............... $8,508.00, plus 12.9% of excess over $100,000
90 Over $120,000 but not over $140,000 ............... $11,088.00, plus 13.0% of excess over $120,000
91 Over $140,000 but not over $160,000 ............... $13,688.00, plus 13.0% of excess over $140,000
92 Over $160,000 but not over $180,000 ............... $16,288.00, plus 13.0% of excess over $160,000
93 Over $180,000 but not over $200,000 ............... $18,888.00, plus 13.0% of excess over $180,000
94 Over $200,000 but not over $300,000 ............... $21,488.00, plus 13.0% of excess over $200,000
95 Over $300,000 but not over $400,000 ............... $34,488.00, plus 13.0% of excess over $300,000
96 Over $400,000 ........................................ $47,488.00, plus 13.0% of excess over $400,000
§11-21-4e. **Effect of rate changes during taxable year.**

(a) If any rate of tax imposed by this article changes to become effective after the thirty-first day of December, of a calendar year, and if the taxable year includes the effective date of the change of rate (unless that date is the first day of the taxable year) then: (1) Tentative taxes shall be computed by applying the rate for the period before the effective date of the change of rate, and the rate for the period on and after such date, to the taxable income for the entire taxable year; and (2) the tax for such taxable year shall be the sum of that proportion of each tentative tax which the number of months in each period bears to the number of months in the entire taxable year.

(b) For purposes of subsection (a):

(1) If the rate changes for taxable years “beginning after” or “ending after” a certain date, the following day shall be considered the effective date of the change; and

(2) If a rate changes for taxable years “beginning on or after” a certain date, that date shall be considered the effective date of the change of rate.

§11-21-16. **West Virginia personal exemptions of resident individual.**

(a) **General.**—For any tax imposed under the provisions of this article with respect to any taxable year prior to the first day of January, one thousand nine hundred eighty-three, a resident individual shall be allowed a West Virginia exemption of six hundred dollars for each exemption for which he is entitled to a deduction for the taxable year for federal income tax purposes. With respect to any taxable year beginning on or after the first day of January, one thousand nine hundred eighty-three, and prior to the first day of January, one thousand nine hundred eighty-four, said exemption shall be seven hundred dollars; and with respect to any taxable year beginning on or after the first day of January, one thousand nine hundred eighty-four, said exemption shall be eight hundred dollars.
(b) *Husband and wife.*—If the West Virginia income
taxes of a husband and wife are separately determined but
their federal income tax is determined on a joint return,
each of them shall be separately entitled, with respect to
any taxable year prior to the first day of January, one
thousand nine hundred eighty-three, to a West Virginia
exemption of six hundred dollars for each federal
exemption to which he would be separately entitled for the
taxable year if their federal income taxes had been
determined on separate returns. With respect to any taxable
year beginning on or after the first day of January, one
thousand nine hundred eighty-three, and prior to the first
day of January, one thousand nine hundred eighty-four,
said exemption shall be seven hundred dollars; and with
respect to any taxable year beginning on or after the first
day of January, one thousand nine hundred eighty-four,
said exemption shall be eight hundred dollars.

§11-21-71. Requirement of withholding tax from wages.
  (a) *General.*—Every employer maintaining an office or
transacting business within this state and making payment
of any wage taxable under this article to a resident or
nonresident individual shall deduct and withhold from
such wages for each payroll period a tax computed in such
manner as to result, so far as practicable, in withholding
from the employer’s wages during each calendar year an
amount substantially equivalent to the tax reasonably
estimated to be due under this article resulting from the
inclusion in the employee’s West Virginia adjusted gross
income of his wages received during such calendar year.
The method of determining the amount to be withheld shall
be prescribed by the tax commissioner, with due regard to
the West Virginia withholding exemption of the employee.
This section shall not apply to payments by the United
States for service in the armed forces of the United States.
  (b) *Withholding exemptions.*—For purposes of this
section:
  (1) An employee shall be entitled to the same number of
West Virginia withholding exemptions as the number of
withholding exemptions to which he is entitled for federal
income tax withholding purposes. An employer may rely
upon the number of federal withholding exemptions
claimed by the employee, except where the employee claims
a higher number of West Virginia withholding exemptions.

(2) With respect to any taxable year prior to the first day
of January, one thousand nine hundred eighty-three, the
amount of each West Virginia exemption shall be six
hundred dollars whether the individual is a resident or
nonresident. With respect to any taxable year beginning on
or after the first day of January, one thousand nine hundred
eighty-three, and prior to the first day of January, one
thousand nine hundred eighty-four, said exemption shall
be seven hundred dollars and with respect to any taxable
year beginning on or after the first day of January, one
thousand nine hundred eighty-five, said exemption shall be
eight hundred dollars.

(c) Exception for certain nonresidents.—If the income
tax law of another state of the United States or of the
District of Columbia results in its residents being allowed a
credit under section forty sufficient to offset all taxes
required by this article to be withheld from the wages of an
employee, the tax commissioner may by regulation relieve
the employers of such employees from the withholding
requirements of this article with respect to such employees.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-4. Imposition of primary tax and rate thereof;
imposition of additional, temporary surtax;
effective and termination dates.

(a) Primary tax.

(1) In the case of taxable periods beginning after the
thirtieth day of June, one thousand nine hundred sixty-
seven, and ending prior to the first day of January, one
thousand nine hundred eighty-three, a tax is hereby
imposed for each taxable year at the rate of six per centum
per annum on the West Virginia taxable income of every
domestic or foreign corporation engaging in business in this
state or deriving income from property, activity or other
sources in this state, except corporations exempt under
section five.

(2) In the case of taxable periods beginning on or after
the first day of January, one thousand nine hundred eighty-
three, a tax is hereby imposed for each taxable year on the
West Virginia taxable income of every domestic or foreign
corporation engaging in business in this state or deriving income from property, activity or other sources in this state, except corporations exempt under section five, at the rates which follow:

(A) On taxable income not in excess of fifty thousand dollars, the rate of six percent; and
(B) On taxable income in excess of fifty thousand dollars, the rate of seven percent.

(b) Temporary surtax.—In addition to the primary tax imposed, determinable and with exemptions, as aforesaid, there is hereby imposed an additional tax, a temporary surtax, of fifteen percent of the determined primary tax liability (as determined prior to application of any credits allowable under section nine of this article), and with such additional, temporary surtax being hereby made effective and applicable to taxable years or portions thereof beginning on and after the first day of January, one thousand nine hundred eighty-three, with such additional, temporary surtax to expire, be nullified and be of no further force or effect whatsoever after the thirtieth day of June, one thousand nine hundred eighty-five. Section four-a of this article, applicable to the effect of any rate changes during a taxable year, shall be construed to include and also be applicable to this surtax or any change of such surtax hereafter occurring during a taxable year. Corporations exempt under section five of this article from the primary tax, as imposed, are hereby made exempt from the additional, temporary surtax, as imposed.

§11-24-4a. Effect of rate changes during taxable year.
(a) If any rate of tax imposed by this article changes to become effective after the thirty-first day of December of a calendar year, and if the taxable year included the effective date of the change of rate (unless that date is the first day of the taxable year) then: (1) Tentative taxes shall be computed by applying the rate for the period before the effective date of the change of rate, and the rate for the period on and after such date, to the taxable income for the entire taxable year; and (2) the tax for such taxable year shall be the sum of that proportion of each tentative tax which the number of months in each period bears to the number of months in the entire taxable year.
For purposes of subsection (a):

(1) If the rate changes for taxable years "beginning after" or "ending after" a certain date, the following day shall be considered the effective date of the change; and

(2) If a rate changes for taxable years "beginning on or after" a certain date, that date shall be considered the effective date of the change of rate.

§11-24-9. Credits against primary tax; election of taxpayer.

(a) Credit for primary taxes imposed under article thirteen, chapter eleven of this code.—A credit shall be allowed against the primary tax imposed by this article equal to the amount of the liability of the taxpayer for the taxable year for any tax imposed under article thirteen, chapter eleven of this code: Provided, That the amount of such business and occupation tax credit shall not exceed fifty percent of the primary tax liability of the taxpayer under this article which is attributable to the West Virginia taxable income derived by the taxpayer for the taxable year from the business or occupation with respect to which said tax under article thirteen was imposed and shall not in any event exceed fifty percent of the primary tax liability of the taxpayer under this article which is attributable to the West Virginia taxable income derived by the taxpayer for the taxable year, shall be an adjustment increasing federal taxable income under section six of this article: Provided further, That the taxpayer may at its option elect in lieu of claiming the credit allowable by this subsection, to not increase its federal taxable income under section six of this article and thereby take as a full deduction under this article for the taxable year by the amount of its business and occupation tax liability for the taxable year, which was taken as a deduction on its federal return for such taxable year.

For purposes of this section, the tax imposed under article thirteen of chapter eleven of this code shall be the amount of the liability of the taxpayer for such tax under said article thirteen computed without reduction for the tax credit for industrial expansion or revitalization allowed for such year.
Credit for tax imposed under article twelve-a, chapter eleven of this code.—A credit shall be allowed against the primary tax imposed by this article equal to the amount of the liability of the taxpayer for the taxable year for any tax imposed on the taxpayer under article twelve-a, chapter eleven of this code: Provided, That the amount of such credit shall not exceed fifty percent of the primary tax liability of the taxpayer under this article which is attributable to the West Virginia taxable income derived by the taxpayer for the taxable year from any source with respect to which said tax under article twelve-a was imposed and shall not in any event exceed fifty percent of the primary tax liability of the taxpayer, this article for such taxable year: Provided, however, That the entire amount of the carrier income tax liability of the taxpayer, which was taken as a deduction in determining its federal taxable income for the taxable year shall be an adjustment increasing federal taxable income under section six of this article: Provided further, That the taxpayer may at its option elect in lieu of claiming the credit allowable by this subsection, to not increase its federal taxable income under section six of this article and thereby take as a full deduction under this article for the taxable year by the amount of its carrier income tax liability for the taxable year, which was taken as a deduction on its federal return for the taxable year.

§11-24-10. Credit for hiring of qualified employees by eligible taxpayers engaged in manufacturing.

(a) A credit shall be allowed under the provisions of this section against the primary tax liability of the taxpayer under this article to eligible taxpayers who hire qualified employees during the period beginning April first, one thousand nine hundred eighty-three, and ending December thirty-first, one thousand nine hundred eighty-four.

(b) For the purpose of this section, the term "eligible taxpayer" shall mean a taxpayer who:

(1) is subject to tax liability under section two-b, article thirteen, chapter eleven of this code, relating to business and occupation tax upon the business of manufacturing, compounding, or preparing for sale any articles, substances, or commodities; and
(2) hires a qualified employee, as defined herein, during the period beginning April first, one thousand nine hundred eighty-three, and ending December thirty-first, one thousand nine hundred eighty-four; which employee to such employer is not a returning seasonal employee or employee of like-type.

(c) For the purpose of this section, the term "qualified employee" shall mean an employee who is hired and employed at a location within this state by an eligible taxpayer for full-time employment, which, for the purposes of this section, shall mean employment for at least one hundred twenty hours per month at a wage equal to, or greater than, the prevailing federal minimum wage; and

(1) at the time he or she is hired, has either exhausted entitlement to unemployment compensation benefits under the provisions of chapter twenty-one-a of this code or would have exhausted such benefits within a period of six weeks from date of employment; or

(2) at the time of employment, he or she is hired so that one or more present employees will not be required to continue working overtime, and with a resultant decrease in the amount of overtime compensation paid by the employer.

(d) The term "qualified employee" shall not include a person who displaces an employed individual, other than an individual who is discharged for cause, or shall not include an individual employed and who is closely related to a person who owns, directly or indirectly, more than fifty percent of the outstanding stock of the business, or an individual employed and who is closely related to the owner or owners of an unincorporated business.

(e) Notwithstanding any provision of this code to the contrary, the department of employment security shall disclose, upon request, to the state tax commissioner or his employees, any wage, benefits, or eligibility information with respect to an identified individual which is contained in its records.

(f) The maximum total credits allowed to any eligible taxpayer in all taxable years because of the hiring of any one qualified employee shall be one thousand dollars: Provided, That the amount of the credit allowed by this section in any one taxable year shall be the lesser of either
one thousand dollars for each qualified employee hired in such taxable year, or ten percent of the gross wages paid by the eligible taxpayer to each qualified employee hired in such taxable year: Provided, however, That unused credit for an eligible employee may be carried forward to the next tax year if necessary and until the lesser of either one thousand dollars for each qualified employee or ten percent of the gross wages paid to the eligible employee during his or her first employment year is taken as a credit by the eligible taxpayer. The credit allowable by this section for a taxable year is not subject to the fifty percent limitation specified in section nine of this article, and any unused credit may be carried over to each of the next three taxable years following the unused credit year until used or forfeited due to lapse of time.

§11-24-17a. Interest and additions to tax on payments of estimated tax.

1 The interest provisions of subsection (a), section seventeen, and the additions to tax provisions of section eighteen, both of article ten of this chapter, shall apply to an underpayment of estimated tax under this article, whether such underpayment is because of a failure to pay the entire installment payment then due or because of an underestimation by more than twenty percent of the amount of tax due for the taxable year under this article.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Donald A. Anello

Chairman House Committee

Originated in the Senate.

In effect from passage.

J. Fred Louden
Clerk of the Senate

Donald L. Kopp
Clerk of the House of Delegates

Walter P. McVicker
President of the Senate

Leonard J. Beck
Speaker House of Delegates

The within ............... this the 29 ..............

day of ....................., 1983.

John J. Dykema
Governor