

SB 207

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# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1998



# ENROLLED

SENATE BILL NO. 207

(By Senators TOUBLIN, W. PRESIDENT, AND  
BUCKALEW, BY REQUEST OF THE EXECUTIVE)



PASSED FEBRUARY 13, 1998

In Effect FROM Passage

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SECRETARIAT OF THE STATE

**ENROLLED**

**Senate Bill No. 207**

(BY SENATORS TOMBLIN, MR. PRESIDENT, AND BUCKALEW,  
BY REQUEST OF THE EXECUTIVE)

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[Passed February 13, 1998; in effect from passage.]

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AN ACT to amend and reenact section nine, article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to updating the meaning of certain terms used in the West Virginia personal income tax act by bringing them into conformity with their meanings for federal income tax purposes; and specifying effective dates.

*Be it enacted by the Legislature of West Virginia:*

That section nine, article twenty-one, 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 21. PERSONAL INCOME TAX.**

**§11-21-9. Meaning of terms.**

1 (a) Any term used in this article shall have the same  
2 meaning as when used in a comparable context in the laws  
3 of the United States relating to income taxes, unless a  
4 different meaning is clearly required. Any reference in  
5 this article to the laws of the United States shall mean the  
6 provisions of the Internal Revenue Code of 1986, as  
7 amended, and any other provisions of the laws of the  
8 United States as relate to the determination of income for  
9 federal income tax purposes. All amendments made to the  
10 laws of the United States after the thirty-first day of  
11 December, one thousand nine hundred ninety-six, but  
12 prior to the first day of January, one thousand nine  
13 hundred ninety-eight, shall be given effect in determining  
14 the taxes imposed by this article to the same extent those  
15 changes are allowed for federal income tax purposes,  
16 whether such changes are retroactive or prospective, but  
17 no amendment to the laws of the United States made on or  
18 after the first day of January, one thousand nine hundred  
19 ninety-eight, shall be given any effect.

20 (b) *Medical savings accounts.* — The term “taxable trust”  
21 does not include a medical savings account established  
22 pursuant to section twenty, article fifteen, chapter thirty-  
23 three of this code or section fifteen, article sixteen of said  
24 chapter. Employer contributions to a medical savings  
25 account established pursuant to said sections, are not  
26 “wages” for purposes of withholding under section  
27 seventy-one of this article.

28 (c) *Surtax.* — The term “surtax” means the twenty  
29 percent additional tax imposed on taxable withdrawals  
30 from a medical savings account under section twenty,  
31 article fifteen, chapter thirty-three of this code, and the  
32 twenty percent additional tax imposed on taxable with-  
33 draws from a medical savings account under section  
34 fifteen, article sixteen of said chapter, which are collected  
35 by the tax commissioner as tax collected under this  
36 article.

37 (d) *Effective date.* — The amendments to this section  
38 enacted in the year one thousand nine hundred ninety-  
39 eight shall be retroactive to the extent allowable under  
40 federal income tax law. With respect to taxable years that  
41 begin prior to the first day of January, one thousand nine  
42 hundred ninety-seven, the law in effect for each of those  
43 years shall be fully preserved as to such year, except as  
44 provided in this section.

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

*Randy Schwaner*  
.....  
Chairman Senate Committee

*Neil Fantasia*  
.....  
Chairman House Committee

Originated in the Senate.

In effect from passage.

*Carroll Hobbs*  
.....  
Clerk of the Senate

*Burgess W. Day*  
.....  
Clerk of the House of Delegates

*Carl Ray Tomblin*  
.....  
President of the Senate

*[Signature]*  
.....  
Speaker House of Delegates

The within *approved* this the *15th*  
day of *January*, 1998.  
*[Signature]*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 2/20/98

Time 3:30 pm