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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

Regular Session, 2001

ENROLLED

SENATE BILL NO. 405

(By Senators Tomblin, Mr. President, and
Sprouse, By Request of the Executive)

PASSED March 28, 2001

In Effect from **Passage**

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Senate Bill No. 405

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

[Passed March 28, 2001; in effect from passage.]

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 meaning 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 has the same meaning
- 2 as when used in a comparable context in the laws of the

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

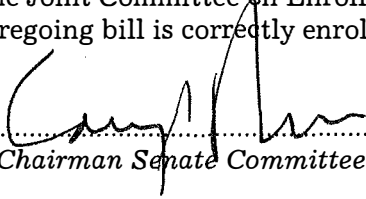
19 (b) *Medical savings accounts.* — The term “taxable
20 trust” does not include a medical savings account estab-
21 lished pursuant to section twenty, article fifteen, chapter
22 thirty-three of this code or section fifteen, article sixteen
23 of said chapter. Employer contributions to a medical
24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

27 (c) *Surtax.* — The term “surtax” means the 20 percent
28 additional tax imposed on taxable withdrawals from a
29 medical savings account under section twenty, article
30 fifteen, chapter thirty-three of this code and the 20 percent
31 additional tax imposed on taxable withdrawals from a
32 medical savings account under section fifteen, article
33 sixteen of said chapter which are collected by the tax
34 commissioner as tax collected under this article.

35 (d) *Effective date.* — The amendments to this section
36 enacted in the year two thousand one are retroactive to the
37 extent allowable under federal income tax law. With
38 respect to taxable years that began prior to the first day of
39 January, two thousand, the law in effect for each of those

40 years shall be fully preserved as to that year, except as
41 provided in this section.

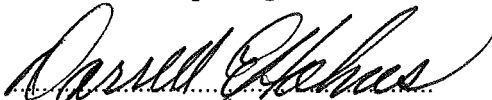
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


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Chairman Senate Committee

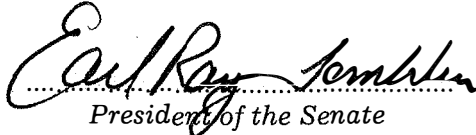

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Chairman House Committee

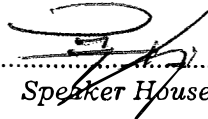
Originated in the Senate.

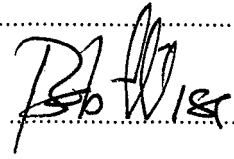
In effect from passage.


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Clerk of the Senate


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Clerk of the House of Delegates


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President of the Senate


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Speaker House of Delegates

The within *is approved* this the *9th*
Day of *April*, 2001.

.....
Governor

PRESENTED TO THE

GOVERNOR

Date 4/4/01

Time 2:58 pm