Committee Substitute

for

House Bill 4135

BY MR. SPEAKER (MR. ARMSTEAD) AND DELEGATE MILEY

(BY REQUEST OF THE EXECUTIVE)

[Passed February 9, 2018; in effect from passage.]
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[Passed February 9, 2018; in effect from passage.]
AN ACT to amend and reenact §11-24-3 of the Code of West Virginia, 1931, as amended, relating
to updating the meaning of federal taxable income and certain other terms used in the
West Virginia Corporation Net Income Tax Act; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-3. Meaning of terms; general rule.

(a) Any term used in this article has the same meaning as when used in a comparable
context in the laws of the United States relating to federal income taxes, unless a different
meaning is clearly required by the context or by definition in this article. Any reference in this
article to the laws of the United States means the provisions of the Internal Revenue Code of
1986, as amended, and any other provisions of the laws of the United States that relate to the
determination of income for federal income tax purposes. All amendments made to the laws of
the United States after December 31, 2016, but prior to January 1, 2018, shall be given effect in
determining the taxes imposed by this article to the same extent those changes are allowed for
federal income tax purposes, whether the changes are retroactive or prospective, but no
amendment to the laws of the United States made on or after January 1, 2018, shall be given any
effect.

(b) The term “Internal Revenue Code of 1986” means the Internal Revenue Code of the
United States enacted by the federal Tax Reform Act of 1986 and includes the provisions of law
formerly known as the Internal Revenue Code of 1954, as amended, and in effect when the
federal Tax Reform Act of 1986 was enacted that were not amended or repealed by the federal
Tax Reform Act of 1986. Except when inappropriate, any reference in any law, executive order,
or other document:

(1) To the Internal Revenue Code of 1954 includes a reference to the Internal Revenue
Code of 1986; and
(2) To the Internal Revenue Code of 1986 includes a reference to the provisions of law formerly known as the Internal Revenue Code of 1954.

(c) Effective date. — The amendments to this section enacted in the year 2018 are retroactive to the extent allowable under federal income tax law. With respect to taxable years that began prior to January 1, 2018, the law in effect for each of those years shall be fully preserved as to that year, except as provided in this section.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee

Chairman, Senate Committee

Originating in the House.

In effect from passage.

Clerk of the House of Delegates

Clerk of the Senate

Speaker of the House of Delegates

President of the Senate

The within is approved this the 21st day of February 2018.

Governor