

WEST VIRGINIA LEGISLATURE

2022 THIRD EXTRAORDINARY SESSION

Introduced

House Bill 301

BY DELEGATES HANSHAW (MR. SPEAKER) AND SKAFF

[BY REQUEST OF THE EXECUTIVE]

[Introduced July 25, 2022]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-21-4g, all relating to reducing the personal income tax; providing for reduced graduated income tax rates; reducing the rate of tax on composite returns; reducing the rate of withholding tax on nonresident income; reducing the rate of withholding tax on the nonresident sale of real estate; reducing the rate of withholding on gambling winnings; and applying the rates retroactively to January 1, 2022; and generally providing effective dates.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-4g. Rate of tax — Taxable years beginning on and after January 1, 2022.

(a) Rate of tax on individuals (except married individuals filing separate returns), individuals filing joint returns, heads of households, estates and trusts. — The tax imposed by §11-21-3 of this code on the West Virginia taxable income of every individual (except married individuals filing separate returns); every individual who is a head of a household in the determination of his or her federal income tax for the taxable year; every husband and wife who file a joint return under this article; every individual who is entitled to file his or her federal income tax return for the taxable year as a surviving spouse; and every estate and trust shall be determined in accordance with the following table:

If the West Virginia taxable

income is:

The tax is:

Not over \$10,000

2.0% of the taxable income

Over \$10,000 but not over \$25,000

\$200 plus 3.7% of excess over \$10,000

Over \$25,000 but not over \$40,000

\$755 plus 4.2% of excess over \$25,000

Over \$40,000 but not over \$60,000

\$1,385 plus 5.5% of excess over \$40,000

Over \$60,000

\$2,485 plus 5.98% of excess over \$60,000

(b) Rate of tax on married individuals filing separate returns. — In the case of husband and wife filing separate returns under this article for the taxable year, the tax imposed by §11-21-3 of this code on the West Virginia taxable income of each spouse shall be determined in accordance with the following table:

If the West Virginia taxable

income is:

The tax is:

Not over \$5,000

2.0% of the taxable income

Over \$5,000 but not over \$12,500

\$100 plus 3.7% of excess over \$5,000

Over \$12,500 but not over \$20,000

\$377.50 plus 4.2% of excess over \$12,500

Over \$20,000 but not over \$30,000

\$692.50 plus 5.5% of excess over \$20,000

Over \$30,000

\$1,242.50 plus 5.98% of excess over \$30,000

(c) Effect of rates on Nonresident Composite and Withholding Obligations — Notwithstanding anything in this code to the contrary, whenever the words “six and one-half percent” appear in this article, these words shall mean 5.98%.

(d) Applicability of this section. — The provisions of this section shall be applicable in determining the rates of tax imposed by this article and shall apply retroactively for all taxable years beginning on and after January 1, 2022, and shall be in lieu of the rates of tax specified in §11-21-4e of this code.

NOTE: The purpose of this bill is to retroactively reduce the personal income tax rates for taxable years beginning on or after the first day of January 2022.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.