

## ADMINISTRATIVE NOTICE 97-16

**SUBJECT: WVCNIT -- Meaning of "federal taxable income" for West Virginia corporation net income tax purposes updated to bring it into conformity with its meaning for federal income tax purposes. Changes in federal law made after December 31, 1995, but before January 1, 1997, are adopted.**

On March 28, 1997, Governor Cecil Underwood signed into law Senate Bill No. 269. This bill amends the West Virginia Corporation Net Income Tax Act by updating the meaning of "federal taxable income" which is the starting point for determining West Virginia corporation net income tax liability. This bill is in effect from its passage on March 25, 1997.

Federal changes adopted are those made after December 31, 1995, but before January 1, 1997, which affect determination of "federal taxable income." If a federal change applies to a taxable year beginning before January 1, 1997, the change similarly applies for West Virginia income tax purposes to the same extent the change is allowed for federal income tax purposes.

Changes in federal income tax law do not automatically become part of West Virginia corporation net income tax law. Therefore, any change in federal income tax law affecting the definition of "federal taxable income" made after December 31, 1995, must be adopted by the West Virginia Legislature before such change is recognized for West Virginia corporation net income tax purposes.

ISSUED: April 9, 1997

Robin C. Capehart  
Secretary

For additional information please write or call:

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