

ADMINISTRATIVE NOTICE 97-17

SUBJECT: WVPIT -- Meaning of "federal adjusted gross income" as used in the West Virginia Personal Income Tax Act updated to bring it into conformity with its meaning for federal income tax purposes. Changes in federal income tax 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. 279. This bill amends the West Virginia Personal Income Tax Act by updating the meaning of "federal adjusted gross income" which is the starting point for determining West Virginia personal income tax liability. This bill is in effect from its passage on March 24, 1997.

Federal changes adopted are those made after December 31, 1995, but before January 1, 1997, which affect determination of "federal adjusted gross 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 affecting the definition of "federal adjusted gross income" do not automatically become part of West Virginia personal income tax law. Therefore, any change in federal income tax law affecting the definition of "federal adjusted gross income" made after December 31, 1996, must be adopted by the West Virginia Legislature before such change is recognized for West Virginia personal income tax purposes.

ISSUED: April 9, 1997

Robin C. Capehart
Secretary

For additional information please write or call:

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