



Summary of Gov. Justice's Proposed Tax Cuts

Social Security Benefit Exemption:

- Who benefits: Over 50,000 senior households.
- What changes:
 - Removes the current income cap on excluding Social Security income from taxation.
 - If passed, will be effective retroactively to January 1, 2024.
- Benefits:
 - Reduces tax burden for many low- and middle-income seniors.
 - Brings West Virginia in line with 40 other states that don't tax Social Security.
 - Supported by AARP-WV.

Child and Dependent Care Tax Credit:

- Who benefits: Over 16,000 West Virginia families.
- What changes:
 - Creates a state tax credit equal to 50% of the allowable federal child and dependent care credit.
 - Effective retroactively to January 1, 2024.
- Benefits:
 - Makes childcare more affordable for families.
 - Aligns with existing federal credit for easier understanding and compliance.
- Additional details:
 - Maximum childcare credit ranges from \$300 to \$525 for one child and from \$600 to \$1,050 for two or more children depending on amount of out-of-pocket expenses incurred and income level.

Senior Citizen Property Tax Credit:

- Who benefits: Seniors with homestead property taxes and federal adjusted gross income below 200% of the federal poverty guideline.
- What changes:
 - Increases the maximum credit amount by 50%.
 - Expands eligibility by additional 50% of the federal poverty guideline.
 - Effective retroactively to January 1, 2024.
- Benefits:
 - Reduces property tax burden for eligible seniors.
 - Reaches more low- and middle-income seniors within the eligibility range.