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**HOUSE BILL NO. 17**

Offered January 11, 2006

Prefiled December 2, 2005

*A BILL to amend and reenact §§ 51.1-124.3 and 58.1-322 of the Code of Virginia, and to amend the Code of Virginia by adding in Chapter 12 of Title 2.2 a section numbered 2.2-1209 and in Chapter 1 of Title 52 a section numbered 52-11.6, relating to the Department of State Police; variable housing allowance.*

Patrons—Lingamfelter, Cole, Cox, Frederick and Suit

Referred to Committee on Appropriations

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 51.1-124.3 and 58.1-322 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 12 of Title 2.2 a section numbered 2.2-1209 and in Chapter 1 of Title 52 a section numbered 52-11.6 as follows:**

*2.2-1209. Variable Housing Allowance for the Department of State Police.*

*A. The Department shall develop suggested rates for the variable housing allowance established pursuant to § 52-11.6 for full-time, sworn officers of the Department of State Police, subject to regulations adopted by the Department for determining and implementing a housing allowance.*

*B. In computing the rate of a variable housing allowance for an eligible officer, the Department shall take into account both the geographical location and pay grade of the officer. In order to determine the impact of geographical location in determining the appropriate allowance, the Department shall ascertain and annually update the cost of adequate housing in all geographic regions of the Commonwealth.*

**§ 51.1-124.3. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Abolished system" means the Virginia Retirement Act, §§ 51-30 through 51-111, repealed by Chapter 1 of the Acts of Assembly of 1952.

"Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, all amounts the member may contribute to purchase creditable service, all member contributions contributed by the employer on behalf of the employee, on or after July 1, 1990, except those amounts contributed on behalf of members of the General Assembly who are otherwise retired under the provisions of this chapter, and all interest accruing to these funds. If a member is retired for disability from a cause which is compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.), dies in service prior to retirement, or requests a refund of contributions in accordance with § 51.1-161, "accumulated contributions" shall include all member contributions paid by the employer on behalf of the member on and after July 1, 1980, and all interest which would have accrued to these funds.

"Actuarial equivalent" means a benefit of equal value when computed upon the basis of actuarial tables adopted by the Board.

"Average final compensation" means the average annual creditable compensation of a member during his 36 highest consecutive months of creditable service or during the entire period of his creditable service if less than 36 months. If a member ceased employment prior to July 1, 1974, "average final compensation" means the average annual creditable compensation during the five highest consecutive years of creditable service.

"Beneficiary" means any person entitled to receive benefits under this chapter.

"Board" means the Board of Trustees of the Virginia Retirement System.

"Creditable compensation" means the full compensation payable annually to an employee working full time in his covered position. For any state employee of a public institution of higher education or a teaching hospital affiliated with a public institution of higher education who is (i) compensated on a salaried basis, and (ii) working full time in a covered position pursuant to a contract of employment for a period of at least nine months, creditable compensation means the full compensation payable over the term of any contract entered into between the employee and the employer, without regard to whether or not the term of the contract coincides with the normal scholastic year. However, if the contract is for more than one year, creditable compensation means that compensation paid for the current year of the contract.

Remuneration received by members of the General Assembly not otherwise retired under the provisions of this chapter pursuant to §§ 30-19.11 and 30-19.12 shall be deemed creditable

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59 compensation. In addition, for any member of the General Assembly, creditable compensation shall  
60 include the full amount of salaries payable to such member for working in covered positions, regardless  
61 of whether a contractual salary is reduced and not paid to such member because of service in the  
62 General Assembly.

63 *Variable housing allowances received by full-time, sworn officers of the Department of State Police*  
64 *pursuant to § 52-11.6 shall not be deemed creditable compensation.*

65 "Creditable service" means prior service as set forth in § 51.1-142.2 plus membership service for  
66 which credit is allowable.

67 "Employee" means any teacher, state employee, officer, or employee of a locality participating in the  
68 Retirement System.

69 "Employer" means the Commonwealth in the case of a state employee, the local public school board  
70 in the case of a teacher, or the political subdivision participating in the Retirement System.

71 "Joint Rules Committee" means those members of the House of Delegates and the Senate designated  
72 by the Speaker of the House and the Chairman of the Senate Committee on Rules, respectively, to meet  
73 with each other and to act jointly on behalf of the Committee on Rules for each house.

74 "Local officer" means the treasurer, commissioner of the revenue, attorney for the Commonwealth,  
75 clerk of a circuit court, or sheriff of any county or city, or deputy or employee of any such officer.

76 "Medical Board" means the board of physicians as provided by this chapter.

77 "Member" means any person included in the membership of the Retirement System.

78 "Membership service" means service as an employee rendered while a contributing member of the  
79 Retirement System except as provided in this chapter.

80 "Normal retirement date" means a member's sixty-fifth birthday.

81 "Political subdivision" means any county, city, or town, any political entity, subdivision, branch, or  
82 unit of the Commonwealth, or any commission, public authority, or body corporate created by or under  
83 an act of the General Assembly specifying the powers, privileges, or authority capable of exercise by the  
84 commission, public authority, or body corporate.

85 "Primary social security benefit" means, with respect to any member, the primary insurance amount  
86 to which the member is entitled, for old age or disability, as the case may be, pursuant to the provisions  
87 of the federal Social Security Act as in effect at his date of retirement, under the provisions of this  
88 chapter except as otherwise specifically provided.

89 "Prior service" means service rendered prior to becoming a member of the Retirement System.

90 "Purchase of service contract" means a contract entered into by the member and the Retirement  
91 System for the purchase of service credit by the member as provided in § 51.1-142.2.

92 "Retirement allowance" means the retirement payments to which a member is entitled.

93 "Retirement System" means the Virginia Retirement System.

94 "Service" means service as an employee.

95 "State employee" means any person who is regularly employed full time on a salaried basis, whose  
96 tenure is not restricted as to temporary or provisional appointment, in the service of, and whose  
97 compensation is payable, no more often than biweekly, in whole or in part, by the Commonwealth or  
98 any department, institution, or agency thereof. "State employee" shall include any faculty member, but  
99 not including adjunct faculty, of a public institution of higher education (a) who is compensated on a  
100 salary basis, (b) whose tenure is not restricted as to temporary or provisional appointment, and (c) who  
101 regularly works at least 20 hours but less than 40 hours per week (or works the equivalent of one-half  
102 of a full time equivalent position) engaged in the performance of teaching, administrative, or research  
103 duties at such institution; such faculty member shall be deemed an eligible employee for purposes of the  
104 retirement provisions under §§ 51.1-126, 51.1-126.1, and 51.1-126.3. "State employee" shall also include  
105 the Governor, Lieutenant Governor, Attorney General, and members of the General Assembly but shall  
106 not include (i) any local officer, (ii) any employee of a political subdivision of the Commonwealth, (iii)  
107 individuals employed by the Department for the Blind and Vision Impaired pursuant to § 51.5-72, (iv)  
108 any member of the State Police Officers' Retirement System, (v) any member of the Judicial Retirement  
109 System, or (vi) any member of the Virginia Law Officers' Retirement System.

110 "Teacher" means any person who is regularly employed full time on a salaried basis as a professional  
111 or clerical employee of a county, city, or other local public school board.

112 *52-11.6. Variable Housing Allowance.*

113 *A. From such funds as are appropriated for such purpose and based upon the suggested rates*  
114 *developed by the Department of Human Resource Management pursuant to § 2.2-1209, all full-time,*  
115 *sworn officers of the Department of State Police shall be entitled to a variable housing allowance. The*  
116 *housing allowance shall not be considered Virginia taxable income pursuant to § 58.1-322, nor shall it*  
117 *be considered creditable compensation pursuant to § 51.1-124.3.*

118 § 58.1-322. Virginia taxable income of residents.

119 A. The Virginia taxable income of a resident individual means his federal adjusted gross income for  
120 the taxable year, which excludes combat pay for certain members of the Armed Forces of the United

States as provided in § 112 of the Internal Revenue Code, as amended, and with the modifications specified in this section.

B. To the extent excluded from federal adjusted gross income, there shall be added:

1. Interest, less related expenses to the extent not deducted in determining federal income, on obligations of any state other than Virginia, or of a political subdivision of any such other state unless created by compact or agreement to which Virginia is a party;

2. Interest or dividends, less related expenses to the extent not deducted in determining federal taxable income, on obligations or securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal income tax but not from state income taxes;

3. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

4. The amount of a lump sum distribution from a qualified retirement plan, less the minimum distribution allowance and any amount excludable for federal income tax purposes that is excluded from federal adjusted gross income solely by virtue of an individual's election to use the averaging provisions under § 402 of the Internal Revenue Code; and

5. through 8. [Repealed.]

9. The amount required to be included in income for the purpose of computing the partial tax on an accumulation distribution pursuant to § 667 of the Internal Revenue Code.

C. To the extent included in federal adjusted gross income, there shall be subtracted:

1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States including, but not limited to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

2. Income derived from obligations, or on the sale or exchange of obligations of this Commonwealth or of any political subdivision or instrumentality of the Commonwealth.

3. [Repealed.]

4. Benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code.

4a. Through December 31, 2000, the same amount used in computing the federal credit allowed under § 22 of the Internal Revenue Code by a retiree under age 65 who qualified for such retirement on the basis of permanent and total disability and who is a qualified individual as defined in § 22 (b) (2) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of subsection D of this section may not also claim a subtraction under this subdivision.

4b. For taxable years beginning on or after January 1, 2001, up to \$20,000 of disability income, as defined in § 22 (c) (2) (B) (iii) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of subsection D of this section may not also claim a subtraction under this subdivision.

5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit which was not deducted for federal purposes on account of the provisions of § 280C (a) of the Internal Revenue Code.

7, 8. [Repealed.]

9. [Expired.]

10. Any amount included therein less than \$600 from a prize awarded by the State Lottery Department.

11. The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar days of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3 and below shall be entitled to the deductions specified herein.

12. Amounts received by an individual, not to exceed \$1,000 in any taxable year, as a reward for information provided to a law-enforcement official or agency, or to a nonprofit corporation created exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of perpetrators of crimes. This provision shall not apply to the following: an individual who is an employee of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

13. [Repealed.]

14. [Expired.]

15, 16. [Repealed.]

17. For taxable years beginning on and after January 1, 1995, the amount of "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not

deducted, on account of the provisions of § 280C (c) of the Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and members of limited liability companies to the extent and in the same manner as other deductions may pass through to such partners, shareholders, and members.

18. For taxable years beginning on or after January 1, 1995, all military pay and allowances, not otherwise subtracted under this subsection, earned for any month during any part of which such member performed military service in any part of the former Yugoslavia, including the air space above such location or any waters subject to related naval operations, in support of Operation JOINT ENDEAVOR as part of the NATO Peace Keeping Force. Such subtraction shall be available until the taxpayer completes such service.

19. For taxable years beginning on and after January 1, 1996, any income received during the taxable year derived from a qualified pension, profit-sharing, or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the contributions to such plan or program were subject to taxation under the income tax in another state.

20. For taxable years beginning on and after January 1, 1997, any income attributable to a distribution of benefits or a refund from a prepaid tuition contract or savings trust account with the Virginia College Savings Plan, created pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23. The subtraction for any income attributable to a refund shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt of a scholarship.

21. For taxable years beginning on or after January 1, 1998, all military pay and allowances, to the extent included in federal adjusted gross income and not otherwise subtracted, deducted or exempted under this section, earned by military personnel while serving by order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area which is treated as a combat zone for federal tax purposes pursuant to § 112 of the Internal Revenue Code.

22. For taxable years beginning on or after January 1, 2000, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

23. Effective for all taxable years beginning on or after January 1, 2000, \$15,000 of military basic pay for military service personnel on extended active duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar by the amount which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero if such military basic pay amount is equal to or exceeds \$30,000.

24. Effective for all taxable years beginning on and after January 1, 2000, the first \$15,000 of salary for each federal and state employee whose total annual salary from all employment for the taxable year is \$15,000 or less.

25. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

26. For taxable years beginning on and after January 1, 2001, any amount received as military retirement income by an individual awarded the Congressional Medal of Honor.

27. Effective for all taxable years beginning on and after January 1, 1999, income received as a result of (i) the "Master Settlement Agreement," as defined in § 3.1-1106; (ii) the National Tobacco Grower Settlement Trust dated July 19, 1999; and (iii) the Tobacco Loss Assistance Program, pursuant to 7 C.F.R. Part 1464 (Subpart C, §§ 1464.201 through 1464.205), by (a) tobacco farmers; (b) any person holding a tobacco marketing quota, or tobacco farm acreage allotment, under the Agricultural Adjustment Act of 1938; or (c) any person having the right to grow tobacco pursuant to such a quota or allotment, but only to the extent that such income has not been subtracted pursuant to subdivision C 18 of § 58.1-402.

28. For taxable years beginning on and after January 1, 2000, items of income attributable to, derived from or in any way related to (i) assets stolen from, hidden from or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other consideration received by a victim or target of Nazi persecution to compensate such individual for performing labor against his will under the threat of death, during World War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such items of income or with the proceeds from the sale of assets stolen from, hidden from or otherwise lost to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this subdivision shall only apply to an individual who was the first recipient of such items of income and who was a victim or target of Nazi persecution, or a spouse, widow, widower, or child or stepchild of

such victim.

"Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by the Nazi regime who had assets stolen from, hidden from or otherwise lost as a result of any act or omission in any way relating to (i) the Holocaust; (ii) World War II and its prelude and direct aftermath; (iii) transactions with or actions of the Nazi regime; (iv) treatment of refugees fleeing Nazi persecution; or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II and its prelude and aftermath. A victim or target of Nazi persecution shall also include any individual forced into labor against his will, under the threat of death, during World War II and its prelude and direct aftermath. As used in this subdivision, "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those European countries allied with Nazi Germany, or any other neutral European country or area in Europe under the influence or threat of Nazi invasion.

29. For taxable years beginning on and after January 1, 2002, any gain recognized as a result of the Peanut Quota Buyout Program of the Farm Security and Rural Investment Act of 2002 pursuant to 7 C.F.R. Part 1412 (Subpart H, §§ 1412.801 through 1412.811) as follows:

a. If the payment is received in installment payments pursuant to 7 C.F.R. § 1412.807(a) (2), then the entire gain recognized may be subtracted.

b. If the payment is received in a single payment pursuant to 7 C.F.R. § 1412.807(a) (3), then 20 percent of the recognized gain may be subtracted. The taxpayer may then deduct an equal amount in each of the four succeeding taxable years.

30. Effective for all taxable years beginning on and after January 1, 2002, but before January 1, 2005, the indemnification payments received by contract poultry growers and table egg producers from the U.S. Department of Agriculture as a result of the depopulation of poultry flocks because of low pathogenic avian influenza in 2002. In no event shall indemnification payments made to owners of poultry who contract with poultry growers qualify for this subtraction.

31. Effective for all taxable years beginning on or after January 1, 2001, the military death gratuity payment made after September 11, 2001, to the survivor of deceased military personnel killed in the line of duty, pursuant to Chapter 75 of Title 10 of the United States Code; however, the subtraction amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from his federal gross income in accordance with § 134 of the Internal Revenue Code.

32. *Effective for all taxable years beginning on or after January 1, 2006, the variable housing allowance provided to full-time, sworn officers of the Department of State Police pursuant to § 52-11.6.*

D. In computing Virginia taxable income there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return and increased by an amount which, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per mile; or

b. Three thousand dollars for single individuals for taxable years beginning on and after January 1, 1989; \$5,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return) for taxable years beginning on and after January 1, 1989, but before January 1, 2005; and \$6,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return) for taxable years beginning on and after January 1, 2005; provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return. For purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute the deduction only with respect to earned income.

2. a. A deduction in the amount of \$800 for taxable years beginning on and after January 1, 1988, but before January 1, 2005, and \$900 for taxable years beginning on and after January 1, 2005, for each personal exemption allowable to the taxpayer for federal income tax purposes.

b. For taxable years beginning on and after January 1, 1987, each blind or aged taxpayer as defined under § 63 (f) of the Internal Revenue Code shall be entitled to an additional personal exemption in the amount of \$800.

The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income tax purposes.

3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services necessary for gainful employment.

4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement as defined in § 63.2-908, provided the taxpayer can also claim the child

305 as a personal exemption under § 151 of the Internal Revenue Code.

306 5. a. Effective for all taxable years beginning on or after January 1, 1996, but before January 1,  
307 2004, a deduction in the amount of \$12,000 for taxpayers age 65 or older, or \$6,000 for taxpayers age  
308 62 through 64.

309 b. For taxable years beginning on and after January 1, 2004, a deduction in the amount of \$12,000  
310 for individuals born on or before January 1, 1939.

311 c. For taxable years beginning January 1, 2004, but before January 1, 2005, a deduction in the  
312 amount of \$6,000 for individuals born on or between January 2, 1940, and January 1, 1942.

313 d. For taxable years beginning January 1, 2005, but before January 1, 2006, a deduction in the  
314 amount of \$6,000 for individuals born on or between January 2, 1941, and January 1, 1942.

315 e. For taxable years beginning on and after January 1, 2004, a deduction in the amount of \$12,000  
316 for individuals born after January 1, 1939, who have attained the age of 65. This deduction shall be  
317 reduced by \$1 for every \$1 that the taxpayer's adjusted federal adjusted gross income exceeds \$50,000  
318 for single taxpayers or \$75,000 for married taxpayers. For married taxpayers filing separately, the  
319 deduction will be reduced by \$1 for every \$1 the total combined adjusted federal adjusted gross income  
320 of both spouses exceeds \$75,000.

321 f. For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal  
322 adjusted gross income minus any benefits received under Title II of the Social Security Act and other  
323 benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as  
324 amended.

325 6. For taxable years beginning on and after January 1, 1997, the amount an individual pays as a fee  
326 for an initial screening to become a possible bone marrow donor, if (i) the individual is not reimbursed  
327 for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal  
328 income tax return.

329 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
330 during the taxable year for a prepaid tuition contract or savings trust account entered into with the  
331 Virginia College Savings Plan, pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23. Except as  
332 provided in subdivision 7 c, the amount deducted on any individual income tax return in any taxable  
333 year shall be limited to \$2,000 per prepaid tuition contract or savings trust account. No deduction shall  
334 be allowed pursuant to this section if such payments or contributions are deducted on the purchaser's or  
335 contributor's federal income tax return. If the purchase price or annual contribution to a savings trust  
336 account exceeds \$2,000, the remainder may be carried forward and subtracted in future taxable years  
337 until the purchase price or savings trust contribution has been fully deducted; however, except as  
338 provided in subdivision 7 c, in no event shall the amount deducted in any taxable year exceed \$2,000  
339 per contract or savings trust account. Notwithstanding the statute of limitations on assessments contained  
340 in § 58.1-312, any deduction taken hereunder shall be subject to recapture in the taxable year or years in  
341 which distributions or refunds are made for any reason other than (i) to pay qualified higher education  
342 expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death, disability, or  
343 receipt of a scholarship. For the purposes of this subdivision, the term "purchaser" or "contributor"  
344 means the person shown as such on the records of the Virginia College Savings Plan as of December 31  
345 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or savings trust  
346 account, the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition  
347 contract or savings trust account, including, but not limited to, carryover and recapture of deductions.

348 b. The amount paid for a prepaid tuition contract during taxable years beginning on or after January  
349 1, 1996, but before January 1, 1998, shall be deducted in taxable years beginning on or after January 1,  
350 1998, and shall be subject to the limitations set out in subdivision 7 a.

351 c. A purchaser of a prepaid tuition contract or contributor to a savings trust account who has attained  
352 age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$2,000 per  
353 prepaid tuition contract or savings trust account in any taxable year. Such taxpayer shall be allowed a  
354 deduction for the full amount paid for the contract or contributed to a savings trust account, less any  
355 amounts previously deducted. If a prepaid tuition contract was purchased by such taxpayer during  
356 taxable years beginning on or after January 1, 1996, but before January 1, 1998, such taxpayer may take  
357 the deduction for the full amount paid during such years, less any amounts previously deducted with  
358 respect to such payments, in taxable year 1999 or by filing an amended return for taxable year 1998.

359 8. For taxable years beginning on and after January 1, 2000, the total amount an individual actually  
360 contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in  
361 Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided the individual has not claimed a deduction for  
362 such amount on his federal income tax return.

363 9. For taxable years beginning on and after January 1, 1999, an amount equal to 20 percent of the  
364 tuition costs incurred by an individual employed as a primary or secondary school teacher licensed  
365 pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses  
366 that are required as a condition of employment; however, the deduction provided by this subsection shall

367 be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has  
368 not claimed a deduction for the payment of such tuition costs on his federal income tax return.

369 10. For taxable years beginning on and after January 1, 2000, the amount an individual pays  
370 annually in premiums for long-term health care insurance, provided the individual has not claimed a  
371 deduction for federal income tax purposes.

372 E. There shall be added to or subtracted from federal adjusted gross income, as the case may be, the  
373 individual's share, as beneficiary of an estate or trust, of the Virginia fiduciary adjustment determined  
374 under § 58.1-361.

375 F. There shall be added or subtracted, as the case may be, the amounts provided in § 58.1-315 as  
376 transitional modifications.