

077120129

**SENATE BILL NO. 778**

Offered January 10, 2007

Prefiled December 22, 2006

*A BILL to amend and reenact § 58.1-321 of the Code of Virginia, relating to minimum filing thresholds for income tax.*

Patrons—Stosch and Houck

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-321 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-321. Exemptions and exclusions.

A. No tax levied pursuant to § 58.1-320 is imposed, nor any return required to be filed by:

1. A single individual where the Virginia adjusted gross income for such taxable year is less than \$5,000 for taxable years beginning on and after January 1, 1987, but before January 1, 2004.

A single individual where the Virginia adjusted gross income plus the modification specified in subdivision D 5 of § 58.1-322 for such taxable year is less than \$5,000 for taxable years beginning on and after January 1, 2004, but before January 1, 2005.

A single individual where the Virginia adjusted gross income plus the modification specified in subdivision D 5 of § 58.1-322 for such taxable year is less than \$7,000 for taxable years beginning on and after January 1, 2005, *but before January 1, 2008.*

*A single individual where the Virginia adjusted gross income plus the modification specified in subdivision D 5 of § 58.1-322 for such taxable year is less than \$12,000 for taxable years beginning on and after January 1, 2008.*

2. An individual and spouse if their combined Virginia adjusted gross income for such taxable year is less than \$8,000 for taxable years beginning on and after January 1, 1987, (or one-half of such amount in the case of a married individual filing a separate return) but before January 1, 2004.

An individual and spouse if their combined Virginia adjusted gross income plus the modification specified in subdivision D 5 of § 58.1-322 is less than \$8,000 for taxable years beginning on and after January 1, 2004, (or one-half of such amount in the case of a married individual filing a separate return) but before January 1, 2005; and less than \$14,000 for taxable years beginning on and after January 1, 2005 (or one-half of such amount in the case of a married individual filing a separate return) *but before January 1, 2008; and less than \$24,000 for taxable years beginning on and after January 1, 2008 (or one-half of such amount in the case of a married individual filing a separate return).*

For the purposes of this section "Virginia adjusted gross income" means federal adjusted gross income for the taxable years with the modifications specified in § 58.1-322 B, § 58.1-322 C and the additional deductions allowed under § 58.1-322 D 2 b and D 5 for taxable years beginning before January 1, 2004. For taxable years beginning on and after January 1, 2004, Virginia adjusted gross income means federal adjusted gross income with the modifications specified in subsections B and C of § 58.1-322.

B. Persons in the armed forces of the United States stationed on military or naval reservations within Virginia who are not domiciled in Virginia shall not be held liable to income taxation for compensation received from military or naval service.

INTRODUCED

SB778