

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 58.1-321 and 58.1-322 of the Code of Virginia, relating to minimum filing thresholds and personal exemptions for income tax.

[S 778]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-321 and 58.1-322 of the Code of Virginia are 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 \$11,250 for taxable years beginning on and after January 1, 2008, but before January 1, 2010.

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 \$11,650 for taxable years beginning on and after January 1, 2010, but before January 1, 2012.

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 \$11,950 for taxable years beginning on and after January 1, 2012.

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; less than \$22,500 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) but before January 1, 2010; less than \$23,300 for taxable years beginning on and after January 1, 2010, (or one-half of such amount in the case of a married individual filing a separate return) but before January 1, 2012; and less than \$23,900 for taxable years beginning on and after January 1, 2012, (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.

§ 58.1-322. Virginia taxable income of residents.

A. The Virginia taxable income of a resident individual means his federal adjusted gross income for 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

57 obligations of any state other than Virginia, or of a political subdivision of any such other state unless
58 created by compact or agreement to which Virginia is a party;

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

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

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

68 5 through 8. [Repealed.]

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

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

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

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

79 3. [Repealed.]

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

82 4a. Through December 31, 2000, the same amount used in computing the federal credit allowed
83 under § 22 of the Internal Revenue Code by a retiree under age 65 who qualified for such retirement on
84 the basis of permanent and total disability and who is a qualified individual as defined in § 22 (b) (2) of
85 the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of
86 subsection D of this section may not also claim a subtraction under this subdivision.

87 4b. For taxable years beginning on or after January 1, 2001, up to \$20,000 of disability income, as
88 defined in § 22 (c) (2) (B) (iii) of the Internal Revenue Code; however, any person who claims a
89 deduction under subdivision 5 of subsection D of this section may not also claim a subtraction under
90 this subdivision.

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

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

95 7, 8. [Repealed.]

96 9. [Expired.]

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

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

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

109 13. [Repealed.]

110 14. [Expired.]

111 15, 16. [Repealed.]

112 17. For taxable years beginning on and after January 1, 1995, the amount of "qualified research
113 expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not
114 deducted, on account of the provisions of § 280C (c) of the Internal Revenue Code and which shall be
115 available to partners, shareholders of S corporations, and members of limited liability companies to the
116 extent and in the same manner as other deductions may pass through to such partners, shareholders, and
117 members.

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

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

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

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

141 22. For taxable years beginning on or after January 1, 2000, the gain derived from the sale or
 142 exchange of real property or the sale or exchange of an easement to real property which results in the
 143 real property or the easement thereto being devoted to open-space use, as that term is defined in
 144 § 58.1-3230, for a period of time not less than 30 years. To the extent a subtraction is taken in
 145 accordance with this subdivision, no tax credit under this chapter for donating land for its preservation
 146 shall be allowed for three years following the year in which the subtraction is taken.

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

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

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

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

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

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

177 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by
 178 the Nazi regime who had assets stolen from, hidden from or otherwise lost as a result of any act or

179 omission in any way relating to (i) the Holocaust; (ii) World War II and its prelude and direct
180 aftermath; (iii) transactions with or actions of the Nazi regime; (iv) treatment of refugees fleeing Nazi
181 persecution; or (v) the holding of such assets by entities or persons in the Swiss Confederation during
182 World War II and its prelude and aftermath. A victim or target of Nazi persecution shall also include
183 any individual forced into labor against his will, under the threat of death, during World War II and its
184 prelude and direct aftermath. As used in this subdivision, "Nazi regime" means the country of Nazi
185 Germany, areas occupied by Nazi Germany, those European countries allied with Nazi Germany, or any
186 other neutral European country or area in Europe under the influence or threat of Nazi invasion.

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

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

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

195 30. Effective for all taxable years beginning on and after January 1, 2002, but before January 1,
196 2005, the indemnification payments received by contract poultry growers and table egg producers from
197 the U.S. Department of Agriculture as a result of the depopulation of poultry flocks because of low
198 pathogenic avian influenza in 2002. In no event shall indemnification payments made to owners of
199 poultry who contract with poultry growers qualify for this subtraction.

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

205 32. Effective for all taxable years beginning on or after January 1, 2007, the death benefit payments
206 from an annuity contract that are received by a beneficiary of such contract and are subject to federal
207 income taxation.

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

210 1. a. The amount allowable for itemized deductions for federal income tax purposes where the
211 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the
212 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted
213 on such federal return and increased by an amount which, when added to the amount deducted under
214 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for
215 such purposes at a rate of 18 cents per mile; or

216 b. Three thousand dollars for single individuals for taxable years beginning on and after January 1,
217 1989; \$5,000 for married persons (one-half of such amounts in the case of a married individual filing a
218 separate return) for taxable years beginning on and after January 1, 1989, but before January 1, 2005;
219 and \$6,000 for married persons (one-half of such amounts in the case of a married individual filing a
220 separate return) for taxable years beginning on and after January 1, 2005; provided that the taxpayer has
221 not itemized deductions for the taxable year on his federal income tax return. For purposes of this
222 section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year
223 may compute the deduction only with respect to earned income.

224 2. a. A deduction in the amount of \$800 for taxable years beginning on and after January 1, 1988,
225 but before January 1, 2005; ~~and~~ \$900 for taxable years beginning on and after January 1, 2005, *but*
226 *before January 1, 2008; and \$930 for taxable years beginning on and after January 1, 2008*, for each
227 personal exemption allowable to the taxpayer for federal income tax purposes.

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

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

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

237 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under
238 permanent foster care placement as defined in § 63.2-908, provided the taxpayer can also claim the child
239 as a personal exemption under § 151 of the Internal Revenue Code.

240 5. a. Effective for all taxable years beginning on or after January 1, 1996, but before January 1,
 241 2004, a deduction in the amount of \$12,000 for taxpayers age 65 or older, or \$6,000 for taxpayers age
 242 62 through 64.

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

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

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

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

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

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

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

282 b. The amount paid for a prepaid tuition contract during taxable years beginning on or after January
 283 1, 1996, but before January 1, 1998, shall be deducted in taxable years beginning on or after January 1,
 284 1998, and shall be subject to the limitations set out in subdivision 7 a.

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

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

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

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

303 10. For taxable years beginning on and after January 1, 2000, the amount an individual pays
304 annually in premiums for long-term health care insurance, provided the individual has not claimed a
305 deduction for federal income tax purposes, or a credit under § 58.1-339.11.

306 11. For taxable years beginning on and after January 1, 2006, contract payments to a producer of
307 quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation
308 Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant
309 to subsection D of § 58.1-402, as follows:

310 a. If the payment is received in installment payments, then the recognized gain, including any gain
311 recognized in taxable year 2005, may be subtracted in the taxable year immediately following the year
312 in which the installment payment is received.

313 b. If the payment is received in a single payment, then 10% of the recognized gain may be
314 subtracted in the taxable year immediately following the year in which the single payment is received.
315 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

316 12. For taxable years beginning on and after January 1, 2007, an amount equal to 20% of the sum
317 paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.) of this title, not to exceed \$500 in each
318 taxable year, in purchasing for his own use the following items of tangible personal property: (i) any
319 clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed
320 the applicable energy star efficiency requirements developed by the United States Environmental
321 Protection Agency and the United States Department of Energy; (ii) any fuel cell that (a) generates
322 electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than
323 35%, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a
324 coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat
325 pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a
326 heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at
327 least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least
328 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any
329 advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired
330 furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

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

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