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**HOUSE BILL NO. 420**

Offered January 9, 2008

Prefiled January 4, 2008

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12, relating to qualifying educational expenses tax credit.*

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Patron—Marshall, R.G.

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Referred to Committee on Finance**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12 as follows:**

*§ 58.1-339.12. Qualifying educational expenses tax credit.*

*A. For purposes of this section:*

*"Qualified school" means either (i) a public elementary or secondary school or (ii) a private educational program, including home schooling, that can be used to satisfy the compulsory school attendance requirements of § 22.1-254.*

*"Qualifying educational expenses" means (i) with respect to a qualified school other than a home school, instructional fees such as tuition and fees charged by the qualified school; and (ii) with respect to home schooling in kindergarten through grade twelve, amounts paid for textbooks, workbooks, curricula, and other written materials used for academic instruction, and tutoring fees charged by an individual teacher or a home school correspondence school for academic instruction, so long as the charges originate from someone other than the taxpayer claiming a credit for such charges under this section.*

*B. For taxable years beginning on or after January 1, 2009, a taxpayer shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 for the qualifying educational expenses incurred during the taxable year on behalf of each child of the taxpayer who (i) is eligible to be enrolled in a public school in Virginia free of charge pursuant to § 22.1-3; and (ii) qualifies as the taxpayer's dependent for federal income tax purposes. The credit for the qualifying educational expenses paid during the taxable year on behalf of each child shall be the lesser of the actual amount paid by the taxpayer, or (a) \$3,000 for public or private elementary and secondary schools, and (b) \$2,000 for home schooling. Amounts claimed under this section shall not also be claimed as an itemized deduction when computing the taxpayer's liability for taxes under § 58.1-320.*

*C. The Tax Commissioner is authorized to require a taxpayer to submit with the tax return copies of receipts or similar financial documentation as is necessary to confirm the taxpayer's claim of the credit.*

INTRODUCED

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