

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 63.2-2006 of the Code of Virginia, relating to neighborhood assistance tax credits.

[S 700]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 63.2-2006 of the Code of Virginia is amended and reenacted as follows:

§ 63.2-2006. Donations by individuals.

For purposes of this section, the term "individual" means the same as that term is defined in § 58.1-302, but excluding any individual included in the definition of a "business firm" as such term is defined in § 63.2-2000.

A. Notwithstanding any provision of this chapter limiting eligibility for tax credits, an individual making a monetary donation *or a donation of marketable securities* to a neighborhood organization approved under this chapter shall be eligible for a credit against taxes imposed by § 58.1-320 as provided in this section.

B. Notwithstanding any provision of this chapter specifying the amount of a tax credit, a tax credit issued to an individual making a monetary donation *or a donation of marketable securities* to an approved project shall be equal to 45 percent of ~~such monetary~~ *the value of such* donation; however, tax credits shall not be issued for any ~~monetary~~ donation *less made in the taxable year with a value of less than \$500 in a taxable year*, and no more than \$50,000 in tax credit shall be issued to an individual or to married persons in a taxable year.

C. An individual shall be eligible for a tax credit under this section only to the extent that sufficient tax credits allocated to the neighborhood organization approved under this chapter are available.

D. The amount of credit allowed pursuant to this section, if such credit has been issued by the Department, shall not exceed the tax imposed pursuant to § 58.1-320 for such taxable year. Any credit not usable for the taxable year may be carried over for credit against the individual's income taxes until the earlier of (i) the full amount of the credit is used or (ii) the expiration of the fifth taxable year after the taxable year in which the tax credit has been issued to such individual. If an individual that is subject to the tax limitation imposed pursuant to this subsection is allowed another credit pursuant to any other section of the Code of Virginia, or has a credit carryover from a preceding taxable year, such individual shall be considered to have first utilized any credit allowed that does not have a carryover provision, and then any credit that is carried forward from a preceding taxable year, prior to the utilization of any credit allowed pursuant to this section.

E. A tax credit shall be issued by the Commissioner to an individual only upon receipt of a certification made by a neighborhood organization to whom tax credits were allocated for an approved program pursuant to § 63.2-2002. The certification shall identify the ~~amount of the monetary~~ *type and value of the* donation received and the individual making the donation.

F. The tax credit allowed pursuant to this section shall be taken by the individual only to the extent he has not claimed a deduction for such amount on his federal income tax return.

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