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HOUSE BILL NO. 1020

Offered January 8, 2014

Prefiled January 8, 2014

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to individual income tax credits; disabled military veterans.*

Patrons—Kilgore, Campbell and Villanueva

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 58.1-339.13 as follows:

§ 58.1-339.13. *Income tax credit; disabled military veterans.*

A. As used in this section, unless the context requires a different meaning:

"Disability rating" means the percentage rating of disability determined by the U.S. Department of Veterans Affairs, or any successor agency, pursuant to federal law for a veteran with a military service-connected disability. In the event a veteran is rated totally disabled pursuant to 38 C.F.R. § 4.16, the veteran's disability rating shall be 100 percent.

B. For taxable years beginning on or after January 1, 2014, a veteran with a military service-connected disability shall be allowed a credit against the tax imposed by § 58.1-320, computed by multiplying his disability rating for the taxable year by the amount of tax imposed on him by § 58.1-320 for the taxable year. In the event of a change in a veteran's disability rating during the taxable year, the veteran's disability rating for such year shall be his highest disability rating that was in effect during the year.

C. The Tax Commissioner shall develop guidelines implementing the provisions of this section. The guidelines shall include the documentation required to be furnished by the veteran to the Department of Taxation in order to claim the credit under this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

HB1020