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SENATE BILL NO. 1147

Offered January 14, 2015

Prefiled January 13, 2015

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 median income taxpayers tax credit.

Patrons—Stuart, Black, Carrico, Chafin, Cosgrove, Garrett, McWaters, Reeves, Smith, Stanley and Vogel

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. Median income taxpayers tax credit.

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

"Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an individual, the individual's spouse, and any person claimed as a dependent on the individual's or the individual's spouse's income tax return for the taxable year.

"Median household income" means the statewide median income as determined by the federal government pursuant to § 143 of the Internal Revenue Code, as amended or renumbered.

"Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

B. For taxable years beginning on or after January 1, 2016, but before January 1, 2021, any individual or persons filing a joint return (i) who have one or more dependents under the age of 18 and (ii) whose family Virginia adjusted gross income is within 25 percent, above or below, of the median household income shall be allowed a credit against the tax levied pursuant to § 58.1-320 in an amount equal to \$250 for the taxable year. For any taxable year in which married persons file separate Virginia income tax returns, the credit provided under this section shall be allowed against the tax for only one of such tax returns. Additionally, the credit provided under this section shall not be allowed against such tax of a dependent of the individual or married persons.

C. The amount of the credit provided pursuant to subsection B for any taxable year shall not exceed the individual's or married persons' Virginia income tax liability.

D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person claimed as a dependent on such individual's or married persons' income tax return, claims one or any combination of the following on his or their income tax return for such taxable year:

1. The subtraction under subdivision C 11 of § 58.1-322;
2. The subtraction under subdivision C 23 of § 58.1-322;
3. The subtraction under subdivision C 24 of § 58.1-322;
4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision D 2 b of § 58.1-322; or
5. The deduction under subdivision D 5 of § 58.1-322.

INTRODUCED

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