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SENATE BILL NO. 759

Offered January 10, 2018

Prefiled January 10, 2018

A *BILL to amend and reenact § 58.1-320 of the Code of Virginia, relating to individual income tax rates.*

 Patron—Sturtevant

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-320 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-320. Imposition of tax.**

A tax is hereby annually imposed on the Virginia taxable income for each taxable year of every individual as follows:

1. Two percent on income not exceeding \$3,000 for taxable years beginning before January 1, 2018; for taxable years beginning on and after January 1, 2019, if Virginia Gross Domestic Product (GDP) growth exceeds the Virginia GDP for the immediately preceding year by three percent or more, the tax imposed under this subdivision shall be reduced by 0.0667 of a percentage point for the current taxable year until such time as the rate of tax is 1.8 percent on income not exceeding \$3,000;

2. Three percent on income in excess of \$3,000; but not in excess of \$5,000 for taxable years beginning before January 1, 2018; for taxable years beginning on and after January 1, 2019, if Virginia GDP growth exceeds the Virginia GDP for the immediately preceding year by three percent or more, the tax imposed under this subdivision shall be reduced by 0.1 of a percentage point for the current taxable year until such time as the rate of tax is 2.7 percent on income in excess of \$3,000 but not in excess of \$5,000;

Five percent on income in excess of \$5,000, but not in excess of \$12,000 for taxable years beginning before January 1, 1987;

Five percent on income in excess of \$5,000 but not in excess of \$14,000 for taxable years beginning January 1, 1987, through December 31, 1987;

Five percent on income in excess of \$5,000 but not in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five percent on income in excess of \$5,000 but not in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989;

3. Five percent on income in excess of \$5,000 but not in excess of \$17,000 for taxable years beginning January 1, 1990, through December 31, 2018; for taxable years beginning on and after January 1, 2019, if Virginia GDP growth exceeds the Virginia GDP for the immediately preceding year by three percent or more, the tax imposed under this subdivision shall be reduced by 0.167 of a percentage point for the current taxable year until such time as the rate of tax is 4.5 percent on income in excess of \$5,000 but not in excess of \$17,000;

Five and three-quarters percent on income in excess of \$12,000 for taxable years beginning before January 1, 1987;

Five and three-quarters percent on income in excess of \$14,000 for taxable years beginning January 1, 1987, through December 31, 1987;

Five and three-quarters percent on income in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five and three-quarters percent on income in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989; and

4. Five and three-quarters percent on income in excess of \$17,000 for taxable years beginning on and after January 1, 1990, through December 31, 2018; for taxable years beginning on and after January 1, 2019, if Virginia GDP growth exceeds the Virginia GDP for the immediately preceding year by three percent or more, the tax imposed under this subdivision shall be reduced by 0.19167 of a percentage point for the current taxable year until such time as the rate of tax is 5.175 percent on income in excess of \$17,000.

INTRODUCED

SB759