

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-321 of the Code of Virginia, relating to income tax exclusion;*  
3 *student loan forgiveness; disabled veterans.*

4  
5 Approved

[S 745]

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 58.1-321 of the Code of Virginia is amended and reenacted as follows:**

8 **§ 58.1-321. Exemptions and exclusions.**

9 A. No tax levied pursuant to § 58.1-320 is imposed, nor any return required to be filed, by:

10 1. A single individual where the Virginia adjusted gross income plus the modification specified in  
11 subdivision 5 of § 58.1-322.03 for such taxable year is less than \$11,650 for taxable years beginning on  
12 and after January 1, 2010, but before January 1, 2012.

13 A single individual where the Virginia adjusted gross income plus the modification specified in  
14 subdivision 5 of § 58.1-322.03 for such taxable year is less than \$11,950 for taxable years beginning on  
15 and after January 1, 2012.

16 2. An individual and spouse if their combined Virginia adjusted gross income plus the modification  
17 specified in subdivision 5 of § 58.1-322.03 is less than \$23,300 for taxable years beginning on and after  
18 January 1, 2010 (or one-half of such amount in the case of a married individual filing a separate return)  
19 but before January 1, 2012, and less than \$23,900 for taxable years beginning on and after January 1,  
20 2012 (or one-half of such amount in the case of a married individual filing a separate return).

21 For the purposes of this section, "Virginia adjusted gross income" means federal adjusted gross  
22 income for the taxable years with the modifications specified in §§ 58.1-322.01 and 58.1-322.02.

23 B. Persons in the Armed Forces of the United States stationed on military or naval reservations  
24 within Virginia who are not domiciled in Virginia shall not be held liable to income taxation for  
25 compensation received from military or naval service.

26 C. For taxable years beginning on and after January 1, 2020, but before January 1, 2026, any  
27 amount that is includible in the federal adjusted gross income of an eligible veteran by reason of the  
28 whole or partial discharge of any loan described in § 108(f)(5)(B) of the Internal Revenue Code shall be  
29 excluded from Virginia adjusted gross income. This exclusion shall apply only to those discharges that  
30 (i) are described in clauses (i), (ii), and (iii) of § 108(f)(5)(A) of the Internal Revenue Code and (ii)  
31 occur after December 31, 2017. For the purposes of this subsection, "eligible veteran" means a veteran  
32 who has been rated by the U.S. Department of Veterans Affairs, or its successor agency pursuant to  
33 federal law, to have a 100 percent service-connected, permanent, and total disability.

ENROLLED

SB745ER