

DEPARTMENT OF TAXATION

2020 Fiscal Impact Statement

1. **Patron** Kelly K. Convirs-Fowler

2. **Bill Number** HB 839

3. **Committee** Senate Finance and Appropriations

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Virginia Beach Tragedy; Probate Tax Relief

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would exempt individuals who died as a result of the Virginia Beach mass shooting from the state probate tax, and the probate tax that may be imposed by Virginia cities or counties. This bill would require the refund of any state or local probate taxes paid prior July 1, 2020 on the probate of a will or grant of administration of the estate of an individual who died or was wounded as a result of the Virginia beach mass shooting.

This bill contains an emergency clause which states that it would be in force from its passage.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

The Department of Taxation ("the Department") considers implementation of this bill as routine, and does not require additional funding.

Revenue Impact

This bill would have a minimal unknown negative impact on General Fund revenue beginning in Fiscal Year 2021. This bill could also have a minimal, unknown negative impact on certain localities to the extent that a locality imposes Virginia's optional local probate tax and a victim of the Virginia Beach mass shooting would otherwise be subject to such tax.

9. **Specific agency or political subdivisions affected:**

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Virginia Probate Tax

A probate tax is imposed on the probate of most wills and grants of administration, and applies to property in Virginia. No tax is imposed on estates valued at \$15,000 or less. The tax is assessed at a rate of ten cents per \$100 on estates valued at more than \$15,000, including the first \$15,000 of assets. For example, the tax on an estate valued at \$16,000 is \$16.00. Localities may also impose a local probate tax equal to 1/3 of the state probate tax when probating.

Proposed Legislation

This bill would exempt individuals who died as a result of the Virginia Beach mass shooting from the state probate tax, and the probate tax that may be imposed by Virginia cities or counties. This bill would require the refund of any state or local probate taxes paid prior July 1, 2020 on the probate of a will or grant of administration of the estate of an individual who died or was wounded as a result of the Virginia beach mass shooting.

“Virginia Beach mass shooting” is defined as the mass shooting that occurred on May 31, 2019, at the Virginia Beach Municipal Center in the City of Virginia Beach.

This bill contains an emergency clause which states that it would be in force from its passage.

Similar Legislation

Senate Bill 93 is identical to this bill.

cc : Secretary of Finance

Date: 2/11/2020 JLOF
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