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**SENATE BILL NO. 555**

Offered January 10, 2024

Prefiled January 10, 2024

*A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.15, relating to first-time homebuyer tax credit.*

Patrons—Williams Graves, Bagby and Salim; Delegates: Anthony, Clark, Henson and Rasoul

Referred to Committee on Finance and Appropriations

**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 58.1-339.15 as follows:**

**§ 58.1-339.15. First-time homebuyer tax credit.**

*A. As used in this section, "first-time homebuyer" means an individual who has had no ownership in a principal residence during the three-year period ending on the date of purchase of the residential real property.*

*B. For taxable years beginning on January 1, 2024, through January 1, 2029, an individual or married couple filing jointly shall be allowed a credit against the tax levied pursuant to § 58.1-320 for selling a residential real property that is the taxpayer's primary residence and is located in the Commonwealth to a first-time homebuyer. The amount of the credit allowed under this section shall be equal to two percent of the sales price of the real property, not to exceed \$5,000. A taxpayer shall only be allowed one credit under this section per taxable year.*

*C. 1. If the taxpayer is a resident of Virginia and not a person to whom § 58.1-303 applies and if the amount of the credit exceeds the taxpayer's liability for such taxable year, the excess may be refunded by the Tax Commissioner. Tax credits shall be refunded by the Tax Commissioner on behalf of the Commonwealth for 100 percent of face value. Tax credits shall be refunded within 90 days after the filing date of the income tax return on which the individual applies for the refund.*

*2. Except as provided in subdivision C 1, the amount of the credit claimed pursuant to this section for any taxable year shall not exceed the taxpayer's Virginia income tax liability.*

*D. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).*

INTRODUCED

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