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SENATE BILL NO. 400

Offered January 23, 1998

A *BILL to amend and reenact § 58.1-321 of the Code of Virginia, relating to persons exempt from Virginia individual income tax.*

Patrons—Maxwell and Williams; Delegates: Barlow, Behm, Christian, Crittenden, Diamonstein and Hamilton

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-321 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-321. Exemptions and exclusions.

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

1. A single individual where the Virginia adjusted gross income for such taxable year is less than \$3,000 for taxable years beginning before January 1, 1987; ~~and~~ less than \$5,000 for taxable years beginning on and after January 1, 1987; *and for taxable years beginning on and after January 1, 1998, less than the total of (i) the amount of the basic standard deduction for single taxpayers determined pursuant to § 63 (c) of the Internal Revenue Code for such taxable year and (ii) the amount of the personal exemption amount for individuals determined pursuant to § 151 (d) of the Internal Revenue Code for such taxable year; or*

2. An individual and spouse if their combined Virginia adjusted gross income for such taxable year is less than \$3,000 for taxable years beginning before January 1, 1987; ~~and~~ less than \$8,000 for taxable years beginning on and after January 1, 1987 (or one-half of such amount in the case of a married individual filing a separate return); *and for taxable years beginning on and after January 1, 1998, less than the total of (i) the amount of the basic standard deduction for an individual and spouse filing a joint return determined pursuant to § 63 (c) of the Internal Revenue Code for such taxable year and (ii) the amount of the personal exemption amounts for the individual and spouse determined pursuant to § 151 (d) of the Internal Revenue Code for such taxable year (or one-half of such total amount in the case of a married individual filing a separate return).*

For the purposes of this section "Virginia adjusted gross income" means federal adjusted gross income for the taxable years with the modifications specified in § 58.1-322 B, § 58.1-322 C and the additional deductions allowed under § 58.1-322 D 2 b and D 5.

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

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