

**DEPARTMENT OF TAXATION  
2007 Fiscal Impact Statement**

1. **Patron** Paula J. Miller

2. **Bill Number** HB 3103

3. **Committee** House Finance

**House of Origin:**  
 **Introduced**  
 **Substitute**  
 **Engrossed**

4. **Title** Income Tax; Public Safety Officials Tax  
Credit

**Second House:**  
 **In Committee**  
 **Substitute**  
 **Enrolled**

**5. Summary/Purpose:**

This bill would create an individual income tax credit for police officers and professional firefighters. The amount of the credit would be \$800. The credit would not exceed individual's tax liability.

The effective date of this bill is taxable years beginning on and after January 1, 2008.

6. **No Fiscal Impact or Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

**6b. Revenue Impact:**

<i><b>Fiscal Year</b></i>	<i><b>Dollars</b></i>	<i><b>Fund</b></i>
2006-07	\$0	GF
2007-08	\$0	GF
2008-09	(\$17.7 million)	GF
2009-10	(\$17.7 million)	GF
2010-11	(\$17.7 million)	GF
2011-12	(\$17.7 million)	GF
2012-13	(\$17.7 million)	GF

7. **Budget amendment necessary:** Yes.

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**8. Fiscal implications:**

Administrative Impact

TAX has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, TAX considers implementation of this bill as "routine," and does not require additional funding.

TAX will provide specific administrative costs on any legislation that is not "routine." Additionally, TAX will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to pass either

house is unusually large, it is possible that additional resources will be required. If so, TAX will identify the costs at that time.

### Revenue Impact

This bill would result in a General Fund revenue loss of approximately \$17.7 million in Fiscal Year 2009 and annually thereafter. The Virginia Employment Commission reports that in 2002 there were 15,888 police and sheriff's officers and 6,278 firefighters employed in the Commonwealth. This estimate assumes that all such employees will qualify for the full \$800 of the credit.

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

Department of Taxation

### **10. Technical amendment necessary: No.**

### **11. Other comments:**

#### Proposal

This bill would create a public safety officials' tax credit. The credit would be offered to any individual who is employed as a police officer or professional firefighter in the Commonwealth. The credit would be \$800 annually but may not exceed the taxpayer's tax liability.

cc : Secretary of Finance

Date: 1/23/2007 JOC  
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