

DEPARTMENT OF TAXATION

2014 Fiscal Impact Statement

1. **Patron** Jennifer L. McClellan

3. **Committee** House Finance

4. **Title** Income Tax Deduction; Mental Health
Professionals Volunteering at Community
Services Boards.

2. **Bill Number** HB 717

House of Origin:

X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would provide a \$1,500 income tax deduction to qualified mental health professionals who volunteer at least twenty hours during the taxable year to a community services board by providing mental health, developmental, or substance abuse services to inmates.

This bill would be effective for taxable years beginning on or after January 1, 2014.

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.

Fiscal Impact

This bill would result in an unknown negative impact on General Fund revenue, beginning in Fiscal Year 2015. According to the Department of Health Professions and the Board of Medicine, there are approximately 136,212 qualified mental health professionals licensed in Virginia. However, the Department has insufficient data to determine the number of qualified mental health professionals who volunteer at least twenty hours for a community services board and would therefore qualify for this deduction.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Virginia's Community Services Boards

Under Virginia law, every county or city must establish a community services board by itself or in any combination with other cities and counties, unless it establishes a behavioral health authority. The Department of Behavioral Health and Developmental Services may provide funds to assist any city or county or any combination of cities or counties or cities and counties in the provision of these services. Currently, Virginia's public mental health, intellectual disability, and substance abuse services system is comprised of sixteen state facilities and forty locally-run community services boards.

The community services boards and facilities serve children and adults, including inmates, who are at risk of mental illness, serious emotional disturbance, intellectual disabilities, or substance abuse disorders. The core of services provided by community services boards within the cities and counties that they serve must include emergency services and, subject to the availability of funds appropriated for them, case management services. The core of services provided by community services boards may also include a comprehensive system of inpatient, outpatient, day support, residential, prevention, early intervention, and other appropriate mental health, developmental, and substance abuse services necessary to provide individualized services and supports to persons with mental illness, intellectual disability, or substance abuse.

Virginia's Qualified Mental Health Professionals

According to the Department of Behavioral Health and Developmental Services and the Department of Medical Assistant Services, the term "qualified mental health professional" means a person in the human services field who is trained and experienced in providing psychiatric or mental health services to individuals who have a mental illness, including the following:

- A doctor of medicine or osteopathy licensed in Virginia;
- A doctor of medicine or osteopathy, specializing in psychiatry and licensed in Virginia;
- An individual with a master's degree in psychology and at least one year of clinical experience;
- A social worker with at least one year of clinical experience providing direct services to individuals with a diagnosis of a mental illness;
- A person with a bachelor's degree in an unrelated field with at least three years of clinical experience;
- A Certified Psychiatric Rehabilitation Provider;
- A registered nurse licensed in Virginia with at least one year of clinical experience; and
- Any other licensed mental health professional.

According to data published by the Department of Health Professions and the Board of Medicine, there are approximately 136,212 qualified mental health professionals licensed

in Virginia. This number includes the following occupations: certified substance abuse counselor, licensed professional counselor, rehabilitation provider, substance abuse counseling assistant, registered nurse, applied psychologist, clinical psychologist, sex offender treatment provider, licensed clinical social worker, licensed social worker, registered social worker, doctor of medicine, doctor of osteopathy, and psychiatrist.

Proposed Legislation

This bill would provide a \$1,500 income tax deduction to qualified mental health professionals who volunteer at least twenty hours during the taxable year to a community services board by providing mental health, developmental, or substance abuse services to inmates.

To the extent that a community services board qualifies as an approved Neighborhood Assistance Program organization, qualified mental health professionals would be eligible to claim both a Neighborhood Assistance Act Tax Credit and the deduction under this bill for the same volunteer activities.

This bill would be effective for taxable years beginning on or after January 1, 2014.

cc : Secretary of Finance

Date: 1/20/2014 mjm
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