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**SENATE BILL NO. 1531**

Offered January 20, 2017

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to dependent care tax credit for qualified teachers.*

Patron—Lewis

Referred to Committee on Finance

**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 58.1-339.13 as follows:**

**§ 58.1-339.13. Dependent care tax credit for qualified teachers.**

A. *For purposes of this section, "qualified teacher" means a teacher at a public elementary or secondary school in the Commonwealth at which at least 40 percent of the students qualify for free or reduced lunch.*

B. *For taxable years beginning on and after January 1, 2017, but before January 1, 2022, a qualified teacher shall be entitled to a credit against the tax levied pursuant to § 58.1-320 in an amount equal to the credit claimed by the qualified teacher on his federal tax return pursuant to 26 U.S.C. § 21 for expenses for household and dependent care services. This credit shall be in addition to any deduction claimed pursuant to subdivision D 3 of § 58.1-322.*

C. *The total amount of credits available under this section for a calendar year shall not exceed \$1 million. In the event that applications for such credit exceed \$1 million for any calendar year, the Department shall allocate the credits on a pro rata basis.*

D. *If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess may be carried over for credit against the income taxes of the taxpayer in the next five taxable years, or until the total credit amount has been taken, whichever occurs first.*

INTRODUCED

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