

VIRGINIA ACTS OF ASSEMBLY -- 2020 SESSION

CHAPTER 606

An Act to amend and reenact § 58.1-321 of the Code of Virginia, relating to income tax exclusion; student loan forgiveness; disabled veterans.

[S 745]

Approved April 2, 2020

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 plus the modification specified in subdivision 5 of § 58.1-322.03 for such taxable year is less than \$11,650 for taxable years beginning on and after January 1, 2010, but before January 1, 2012.

A single individual where the Virginia adjusted gross income plus the modification specified in subdivision 5 of § 58.1-322.03 for such taxable year is less than \$11,950 for taxable years beginning on and after January 1, 2012.

2. An individual and spouse if their combined Virginia adjusted gross income plus the modification specified in subdivision 5 of § 58.1-322.03 is less than \$23,300 for taxable years beginning on and after January 1, 2010 (or one-half of such amount in the case of a married individual filing a separate return) but before January 1, 2012, and less than \$23,900 for taxable years beginning on and after January 1, 2012 (or one-half of such 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 §§ 58.1-322.01 and 58.1-322.02.

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.

C. *For taxable years beginning on and after January 1, 2020, but before January 1, 2026, any amount that is includible in the federal adjusted gross income of an eligible veteran by reason of the whole or partial discharge of any loan described in § 108(f)(5)(B) of the Internal Revenue Code shall be excluded from Virginia adjusted gross income. This exclusion shall apply only to those discharges that (i) are described in clauses (i), (ii), and (iii) of § 108(f)(5)(A) of the Internal Revenue Code and (ii) occur after December 31, 2017. For the purposes of this subsection, "eligible veteran" means a veteran who has been rated by the U.S. Department of Veterans Affairs, or its successor agency pursuant to federal law, to have a 100 percent service-connected, permanent, and total disability.*