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SENATE BILL NO. 500

Senate Amendments in [] - January 31, 2020

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 income tax credit for teaching material expenses.*

Patrons Prior to Engrossment—Senators Reeves, Chafin and Peake; Delegates: Avoli and Cole, M.L.

Referred to Committee on Finance and Appropriations

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. *Tax credit for teaching material expenses.*

A. For taxable years beginning on or after January 1, 2020, but before January 1, 2025, a teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 shall be allowed a nonrefundable credit against the tax imposed by § 58.1-320 in an amount equal to 100 percent of the purchase price of materials used in teaching public primary or secondary school students that were purchased by the teacher during the taxable year, provided that such purchases were neither reimbursed nor claimed as a deduction on the teacher's federal income tax return for such taxable year.

B. The amount of credit allowed under this section shall not exceed the lesser of \$250 or the actual purchase price of the teaching materials.

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

D. The amount of the credit that may be claimed in any single taxable year shall not exceed the total amount of tax imposed by this chapter for that taxable year. If the amount of the credit allowed under this section exceeds the taxpayer's tax liability for the taxable year in which the teaching materials were purchased, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

E. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

[2. That the provisions of this act shall not become effective unless the revenue change reasonably anticipated to result from the implementation of this act is affirmatively accounted for in the total projected revenues set forth in § 3 of the first enactment of the general appropriations act passed by the General Assembly in 2020 that becomes law.]

ENGROSSED

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