

DEPARTMENT OF TAXATION

2021 Fiscal Impact Statement

1. **Patron** Robert D. Orrock, Sr.

3. **Committee** House Finance

4. **Title** Approved local volunteer activities; credit against taxes and fees

2. **Bill Number** HB 1803

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow localities, by ordinance, to offer credits against taxes and fees to any individual that provides approved volunteer services. The bill would give localities the discretion to determine which taxes or fees are permissible uses of the credit and which volunteer activities qualify for the credit. The bill would disallow the use of the credits against property taxes or payments in lieu of property taxes.

Under current law, localities do not have the authority to allow an individual a credit against taxes and fees in recognition of volunteer services.

If enacted during the Regular Session of the 2021 General Assembly, this bill would become effective July 1, 2021.

6. Budget amendment necessary: No.

7. Fiscal Impact Estimates are: Not available. (See Line 8.)

8. Fiscal implications:

This bill would have an unknown negative impact on administrative costs and revenues in localities that choose to exercise the authority granted by the bill.

This bill would have no impact on state revenues or administrative costs.

9. Specific agency or political subdivisions affected:

Localities that choose to exercise the authority granted by this bill

10. Technical amendment necessary: No.

11. Other comments:

Proposal

This bill would allow localities, by ordinance, to offer credits against taxes and fees to any individual that provides approved volunteer services. The bill would define “approved volunteer services” as (i) volunteer firefighting and fire prevention services, emergency medical and ambulance services, auxiliary police services, and emergency rescue services that operate exclusively for the benefit of the general public on behalf of non-profit organizations, or (ii) locally approved services identified by ordinance. The bill would give localities the discretion to determine which taxes or fees are permissible uses of the credit and which volunteer activities qualify for the credit but would disallow the use of the credits against property taxes or payments in lieu of property taxes.

If enacted during the Regular Session of the 2021 General Assembly, this bill would become effective July 1, 2021.

cc : Secretary of Finance

Date: 1/11/2021 VB
HB1803F161