

**DEPARTMENT OF TAXATION  
2022 Fiscal Impact Statement**

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

2. **Bill Number** HB 911

3. **Committee** House Finance

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

4. **Title** Local Taxation; Credits for Approved  
Volunteer Activities

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would permit any county, city, or town to provide a credit against taxes and fees imposed by the locality to an individual who provides approved volunteer services in the locality. The bill specifies that the credit shall not be applied against any property taxes or payments in lieu of property taxes. The bill gives localities discretion to determine which taxes or fees are permissible uses of the credit and which services qualify for the credit.

Under current law, localities are not authorized to allow taxpayers credits against local taxes for volunteer services.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

6. **Budget amendment necessary:** No

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

8. **Fiscal implications:**

Administrative Costs

This bill could result in unknown administrative costs to localities that adopt such a program. This bill would have no impact on state administrative costs.

Revenue Impact

This bill could result in an unknown negative impact to local revenues in localities that adopt this option. This bill would have no impact on state revenue.

9. **Specific agency or political subdivisions affected:** All localities

10. **Technical amendment necessary:** No

## 11. Other comments:

### Proposal

This bill would permit any county, city, or town to provide a credit against taxes and fees imposed by the locality to an individual who provides approved volunteer services in the locality.

“Approved volunteer services” would mean (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 nonprofit organizations or (ii) locally approved services.

“Locally approved services” would mean volunteer services performed on behalf of (i) a nonprofit organization, which may include an organization described in § 501(c)(3) of the *Internal Revenue Code* or an organization exempt from local taxes pursuant to state law or (ii) the locality. “Locally approved services” would include only those services approved by the locality.

The locality must state in the ordinance what services constitute locally approved services. In determining what services qualify, the locality may make such determination by classification or designation of which activities or organizations qualify.

The bill specifies that the credit shall not be applied against any real or personal property taxes or payments in lieu of property taxes. The bill gives localities discretion to determine which taxes or fees are permissible uses of the credit and which services qualify for the credit.

If enacted during the regular session of the 2022 General Assembly, this bill would become effective July 1, 2022.

cc : Secretary of Finance

Date: 1/20/2022 SK  
HB911F161