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HOUSE BILL NO. 784

Offered January 12, 2022

Prefiled January 11, 2022

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 home instruction and private school tax credit.*

Patrons—LaRock, Avoli, Campbell, R.R., Cherry, Scott, P.A. and Williams; Senator: Chase

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. Home instruction and private school tax credit.

A. For taxable years beginning on or after January 1, 2022, but before January 1, 2027, an individual filing a return or married persons filing a joint return who are the parents or legal guardians of a child receiving home instruction authorized under § 22.1-254.1 in Virginia or a child attending an accredited private school in Virginia shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 for amounts paid by a parent or legal guardian for his child for (i) instruction-related materials, including textbooks, workbooks, and supplies; (ii) courses or programs used in home instruction; or (iii) private school tuition. The credit shall equal the lesser of the amount actually paid in the taxable year for such costs or half of the average state standards of quality funding per student per year.

B. In order to claim the credit, the individual filing a return or married persons filing a joint return shall provide with the income tax return (i) the name of the child receiving home instruction for the year and the school division to which notice was provided pursuant to subsection B of § 22.1-254.1 or (ii) the name of the child attending private school and certification of such enrollment from the private school. If two parents or legal guardians of the same child file separately, only one of the two parents or legal guardians may claim the credit allowed under this section.

C. 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 during which the expenses in subsection A were incurred, 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. The credit shall be available for only two years per child over the course of the child's schooling.

D. The Tax Commissioner shall develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

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