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HOUSE BILL NO. 865
Offered January 10, 2024
Prefiled January 9, 2024

A *BILL to amend and reenact § 58.1-320 of the Code of Virginia, relating to imposition of income tax.*

Patrons—Hernandez and Bennett-Parker

Referred to Committee on Subcommittee #3

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-320 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-320. Imposition of tax.

A. A tax is hereby annually imposed on the Virginia taxable income for each taxable year of every individual as follows:

1. Two percent on income not exceeding \$3,000;

2. Three percent on income in excess of \$3,000; but not in excess of \$5,000;

3. Five percent on income in excess of \$5,000; but not in excess of \$12,000 for taxable years beginning before January 1, 1987;

Five percent on income in excess of \$5,000 but not in excess of \$14,000 for taxable years beginning January 1, 1987, through December 31, 1987;

Five percent on income in excess of \$5,000 but not in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five percent on income in excess of \$5,000 but not in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989; *and*

Five percent on income in excess of \$5,000 but not in excess of \$17,000 for taxable years beginning January 1, 1990;

4. Five and three-quarters percent on income in excess of \$12,000 for taxable years beginning before January 1, 1987;

Five and three-quarters percent on income in excess of \$14,000 for taxable years beginning January 1, 1987, through December 31, 1987;

Five and three-quarters percent on income in excess of \$15,000 for taxable years beginning January 1, 1988, through December 31, 1988;

Five and three-quarters percent on income in excess of \$16,000 for taxable years beginning January 1, 1989, through December 31, 1989; ~~and~~

Five and three-quarters percent on income in excess of \$17,000 for taxable years beginning on and after January 1, 1990, *through December 31, 2023; and*

Five and three-quarters percent on income in excess of \$17,000 but not in excess of \$1,000,000 for taxable years beginning on and after January 1, 2024.

5. *Ten percent on income in excess of \$1,000,000 for taxable years beginning on and after January 1, 2024.*

B. *Fifty percent of any revenues collected on income taxed under subdivision A 5 shall be used to provide additional basic aid funding for public schools, which shall be apportioned to local school boards pursuant to Article 1 (§ 22.1-88 et seq.) of Chapter 8 of Title 22.1., 30 percent of such revenues shall be dedicated to the Child Care Subsidy Program, as administered by the Department of Social Services, and 20 percent of such revenues shall be dedicated to the Virginia Housing Trust Fund established pursuant to § 36-142. Any funds distributed pursuant to this subsection shall not be used to supplant any funds currently provided by the Commonwealth prior to the receipt of these funds to either (i) basic aid funding for public schools, (ii) the Child Care Subsidy Program, or (iii) the Virginia Housing Trust Fund, but shall be used to increase the total amount of funds available to such programs.*