

2025 SESSION

INTRODUCED

25102547D

1 **HOUSE BILL NO. 1962**

2 Offered January 13, 2025

3 Prefiled January 6, 2025

4 *A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered*
5 *58.1-339.15, relating to income tax; nonfamily adoption tax credit.*

6 Patron—Tata

7 Referred to Committee on Finance

8 **Be it enacted by the General Assembly of Virginia:**

9 **1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section**
10 **numbered 58.1-339.15 as follows:**

11 **§ 58.1-339.15. Nonfamily adoption tax credit.**

12 **A. For the purposes of this section, "nonfamily adoption" means an adoption of a child by a taxpayer who**
13 **is not the father, mother, or stepparent of the child.**

14 **B. For taxable years beginning on and after January 1, 2025, but before January 1, 2030, an individual**
15 **or married couple who finalize a legal nonfamily adoption shall be allowed a nonrefundable credit against**
16 **the tax levied pursuant to § 58.1-320 in an amount equal to \$4,000 for the taxable year during which such**
17 **adoption is finalized. Only one credit provided by this section may be claimed per adopted child.**

18 **C. The amount of the credit that may be claimed in any single taxable year shall not exceed the taxpayer's**
19 **liability for taxes imposed by this chapter for that taxable year. If the amount of the credit allowed under this**
20 **section exceeds the taxpayer's tax liability for the taxable year in which the nonfamily adoption occurred, the**
21 **amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer**
22 **in the next three taxable years or until the total amount of the tax credit has been taken, whichever is sooner.**
23 **The aggregate amount of credits allowable under this section shall not exceed \$5 million per taxable year.**
24 **Credits shall be allocated by the Department on a first-come, first-served basis.**

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

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