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**HOUSE BILL NO. 2567**

Offered January 13, 2025

Prefiled January 12, 2025

*A BILL to direct the Department of Taxation to determine the fiscal impact of extending the income tax subtraction for military benefits to members of the uniformed services; report.*

Patron—Leftwich

Referred to Committee on Finance

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

**1. § 1.** *That the Department of Taxation (the Department) is directed to evaluate the effects of extending the income tax subtraction for military benefits, as such term is defined in subdivision 18 d of § 58.1-322.02, to military retirement income paid to a veteran or the surviving spouse of a veteran for service in the uniformed services, as such term is defined in 5 U.S.C. § 2101. In such evaluation, the Department shall (i) determine whether other states implement such an income tax benefit, (ii) examine the fiscal impact of such income tax benefit in any such states, (iii) evaluate the impact of such a tax benefit on the income levels of veterans or surviving spouses of veterans of the uniformed services, and (iv) investigate other potential options for expanding income tax benefits for military retirement income. The Department shall report its findings and any recommendations to the Chairmen of the House Committee on Finance and the Senate Committee on Finance and Appropriations by November 30, 2025.*

INTRODUCED

HB2567