

DEPARTMENT OF TAXATION 2025 Fiscal Impact Statement

1. **Patron** Danica A. Roem

3. **Committee** Senate Finance and Appropriations

4. **Title** Income Tax: Braille Labeling Program Tax Credit

2. **Bill Number** SB 1117

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would provide a nonrefundable individual and corporate income tax credit of up to \$50,000 for expenditures incurred in the development and implementation of a braille labeling program on products, items, or packages sold in or shipped to Virginia. The credit would be subject to an annual cap of \$1 million per taxable year.

This bill would become effective for taxable years beginning on and after January 1, 2025, but before January 1, 2030.

6. **Budget amendment necessary:** Yes.

Item(s): 258 and 260, Department of Taxation

7. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

7a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2025-26	\$213,255	0	GF
2026-27	\$18,400	0	GF

8. **Fiscal implications:**

Administrative Costs

The Department of Taxation ("the Department") would incur estimated expenditures, as shown on Line 7a. The costs above would be incurred updating the Department's forms and systems to implement the new credit. Any costs thereafter would be considered routine.

Revenue Impact

This bill would have an unknown negative General Fund revenue impact of up to \$1 million beginning in Fiscal Year 2026 and each year thereafter. It is unknown how many businesses would claim the credit and the amount of qualifying expenditures, but because

the credit would be capped at \$1 million per taxable year, the annual negative General Fund revenue impact would not exceed that amount.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Proposal

This bill would provide a nonrefundable individual and corporate income tax credit of up to \$50,000 for expenditures incurred in the development and implementation of a braille labeling program on products, items, or packages sold in or shipped to Virginia. The credit would be subject to an annual cap of \$1 million per taxable year. If requests for credits on applications received by the Department prior to the credit's application deadline exceed the credit cap, the amount of credit each taxpayer would receive would be prorated.

"Braille labeling program" would be defined as a program voluntarily developed and implemented by a business that standardizes the affixation of braille labels on products, items, or packages that are sold in or shipped to the Commonwealth by such business.

"Braille labels" would be defined as labels using the raised characters of braille code on a product, item, or package so that a person with a visual impairment can read what that product or item is.

"Eligible braille labeling expenditures" would be defined as expenditures incurred in the development or implementation of a braille labeling program by a business.

The amount of the credit claimed would not exceed the total amount of income tax imposed upon a business for the taxable year. Any credit not usable for the taxable year in which the credit was first allowed may be carried over for credit against the income taxes of the business in the next five succeeding taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

The Department would be required to develop guidelines implementing the credit.

This bill would become effective for taxable years beginning on and after January 1, 2025, but before January 1, 2030.

cc : Secretary of Finance

Date: 01/15/2025 JLOF
SB1117F161