

**DEPARTMENT OF TAXATION
2025 Fiscal Impact Statement**

1. **Patron** Wendell S. Walker

3. **Committee** House Appropriations

4. **Title** Voluntary Contribution of Refunds:
Endowment Fund of the Board for the Blind
and Vision Impaired

2. **Bill Number** HB 2696

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would add the Board for the Blind and Vision Impaired (“the Board”) to the list of organizations and funds on the individual income tax return that may receive voluntary contributions from taxpayers.

The bill would require that the money contributed be paid to the endowment fund of the Board for use in its mission in providing quality services to assist citizens of the Commonwealth who are blind, vision impaired, or deafblind in achieving their desired level of employment, education, and personal independence.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

6. Budget amendment necessary: No

7. No Fiscal Impact: (See Line 8.)

8. Fiscal implications:

Administrative Costs

The Department of Taxation (“the Department”) considers implementation of this bill as routine and does not require additional funding.

Revenue Impact

This bill would have no General Fund revenue impact. All voluntary contributions come from individual income tax refunds or additional payments made by individual taxpayers and not from General Fund revenues.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Voluntary Contributions of Income Tax Refunds

Virginia allows individuals to contribute to one or more qualifying entities that are listed on the Virginia individual income tax return. There are two lists of qualifying entities:

- Organization / Funds who may only receive tax refund contributions
- Organizations / Funds who may receive both tax refund contributions and contributions in the amount of payments made in excess of the taxpayer's tax refund or tax liability

In 2004, the General Assembly limited the number of qualifying entities to 25 and required that entities receive at least \$10,000 in voluntary contributions annually for at least three consecutive years in order to continue to be included on the individual income tax return.

In 2005, the General Assembly passed a bill that created a procedure through which the Department is required to report to the chairmen of the Senate and House Finance Committees the entities that will:

- Be removed from the Virginia individual income tax return because they have failed to meet the \$10,000 per year requirement,
- Remain on the individual income tax return, and
- Be added to the individual income tax return.

The bill also included the requirement that each new entity to be listed on the individual income tax return for three consecutive taxable years before the \$10,000 requirement is applied to it.

There are currently 17 voluntary contribution organizations / funds on the Virginia individual income tax return, and no changes have been made to this list since 2020. Based upon 2022 and 2023 return data, all of the entities currently on the 2024 return appear to have met the requirements for inclusion on the 2025 return as well.

Proposal

This bill would add the Board for the Blind and Vision Impaired ("the Board") to the list of organizations and funds on the individual income tax return that may receive both tax refund contributions and contributions in the amount of payments made in excess of the taxpayer's tax refund or tax liability.

The bill would require that the money contributed be paid to the endowment fund of the Board for use in its mission in providing quality services to assist citizens of the Commonwealth who are blind, vision impaired, or deafblind in achieving their desired level of employment, education, and personal independence.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

cc : Secretary of Finance

Date: 1/24/2025 ALS
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