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HOUSE BILL NO. 2305  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Finance  
on \_\_\_\_\_)  
(Patron Prior to Substitute—Delegate Earley)

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

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

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

**§ 58.1-339.15. Eligible conception tax credit.**

*A. For purposes of this section:*

*"Eligible conception" means the conception of a child during the taxable year that either (i) is currently in gestation, (ii) has resulted in the child's birth, or (iii) has suffered a spontaneous miscarriage or death, for whom documentation verifying the loss of such conception or child can be produced, provided that the spontaneous miscarriage or death was not the result of an induced termination of the pregnancy.*

*"Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 673(2) of the Omnibus Budget Reconciliation Act of 1981.*

*B. For taxable years beginning on and after January 1, 2025, but before January 1, 2030, an individual or married individuals whose family Virginia adjusted gross income does not exceed 400 percent of the poverty guideline amount corresponding to a household of an equal number of persons as listed in the poverty guidelines published during such taxable year shall be allowed a refundable credit against the tax levied pursuant to § 58.1-320 for each eligible conception by such individual or married individuals in a taxable year as supported by medical records. The amount of the credit shall be equal to \$250 for every such eligible conception in a taxable year. Only one credit shall be claimed for any eligible conception. Any credit claimed for an eligible conception by an individual not filing a joint return pursuant to this section shall only be claimed by the individual carrying such eligible conception.*

*C. The aggregate amount of tax credits available under this section for a taxable year shall not exceed \$25 million. In the event that applications for such credits exceed \$25 million for any taxable year, the*

31 *Department shall allocate the credits on a pro rata basis.*

32 *D. If the amount of the credit exceeds the taxpayer's liability for such taxable year, the excess shall be*  
33 *refunded by the Tax Commissioner. Tax credits shall be refunded by the Tax Commissioner on behalf of the*  
34 *Commonwealth for 100 percent of face value. Tax credits shall be refunded within 90 days after the filing*  
35 *date of the income tax return on which the taxpayer applies for the refund.*

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

38 *F. The credit allowed to an individual or married individuals for the portion of the year during which §*  
39 *58.1-303 applies may not exceed the product of (i) the amount of the tax credit otherwise allowed by*  
40 *subsection B and (ii) a fraction, the numerator of which is the income attributable to the period of the taxable*  
41 *year during which such individual was a resident of the Commonwealth and the denominator of which is the*  
42 *income attributable to the entire taxable year, as if such individual were taxable as a full-year resident.*

43 *G. The credit allowed to an individual or married individuals during any taxable year to which §*  
44 *58.1-325 applies may not exceed the product of (i) the amount of the tax credit otherwise allowed by*  
45 *subsection B and (ii) a fraction, the numerator of which is the net amount of such individual's income, gain,*  
46 *loss, and deductions from Virginia sources and the denominator of which is the net amount of such individual*  
47 *'s income, gain, loss, and deductions from all sources.*