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1 **HOUSE BILL NO. 243**

2 Offered January 14, 2026

3 Prefiled January 8, 2026

4 *A BILL to amend and reenact § 2.2-3905 of the Code of Virginia and to amend the Code of Virginia by*
5 *adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749,*
6 *relating to corporate welfare tax.*

7 Patron—Cole, J.G.

8 Committee Referral Pending

9 **Be it enacted by the General Assembly of Virginia:**10 **1. That § 2.2-3905 of the Code of Virginia is amended and reenacted and that the Code of Virginia is**
11 **amended by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section**
12 **numbered 58.1-1749, as follows:**13 **§ 2.2-3905. Nondiscrimination in employment; definitions; exceptions.**

14 A. As used in this section:

15 "Age" means being an individual who is at least 40 years of age.

16 "Domestic worker" means an individual who is compensated directly or indirectly for the performance of
17 services of a household nature performed in or about a private home, including services performed by
18 individuals such as companions, babysitters, cooks, waiters, butlers, valets, maids, housekeepers, nannies,
19 nurses, janitors, laundresses, caretakers, handymen, gardeners, home health aides, personal care aides, and
20 chauffeurs of automobiles for family use. "Domestic worker" does not include (i) a family member, friend, or
21 neighbor of a child, or a parent of a child, who provides child care in the child's home; (ii) any child day
22 program as defined in § 22.1-289.02 or an individual who is an employee of a child day program; or (iii) any
23 employee employed on a casual basis in domestic service employment to provide companionship services for
24 individuals who, because of age or infirmity, are unable to care for themselves.

25 "Employee" means an individual employed by an employer.

26 "Employer" means a person employing (i) 15 or more employees for each working day in each of 20 or
27 more calendar weeks in the current or preceding calendar year, and any agent of such a person or (ii) one or
28 more domestic workers. However, (a) for purposes of unlawful discharge under subdivision B 1 on the basis
29 of race, color, religion, ethnic or national origin, military status, sex, sexual orientation, gender identity,
30 marital status, disability, pregnancy, or childbirth or related medical conditions including lactation,
31 "employer" means any person employing more than five persons or one or more domestic workers and (b) for
32 purposes of unlawful discharge under subdivision B 1 on the basis of age, "employer" means any employer
33 employing more than five but fewer than 20 persons.34 "Employment agency" means any person, or an agent of such person, regularly undertaking with or
35 without compensation to procure employees for an employer or to procure for employees opportunities to
36 work for an employer.

37 "Joint apprenticeship committee" means the same as that term is defined in § 2.2-2043.

38 "Labor organization" means an organization engaged in an industry, or an agent of such organization, that
39 exists for the purpose, in whole or in part, of dealing with employers on behalf of employees concerning
40 grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment. "Labor
41 organization" includes employee representation committees, groups, or associations in which employees
42 participate.43 "Lactation" means a condition that may result in the feeding of a child directly from the breast or the
44 expressing of milk from the breast.

45 "Qualified federal benefits" means the same as that term is defined in § 58.1-1749.

46 B. It is an unlawful discriminatory practice for:

47 1. An employer to:

48 a. Fail or refuse to hire, discharge, or otherwise discriminate against any individual with respect to such
49 individual's compensation, terms, conditions, or privileges of employment because of such individual's race,
50 color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, childbirth or related
51 medical conditions including lactation, age, military status, disability, or ethnic or national origin; or52 b. Limit, segregate, or classify employees or applicants for employment in any way that would deprive or
53 tend to deprive any individual of employment opportunities or otherwise adversely affect an individual's
54 status as an employee, because of such individual's race, color, religion, sex, sexual orientation, gender
55 identity, marital status, pregnancy, childbirth or related medical conditions including lactation, age, military
56 status, disability, or ethnic or national origin.

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59 2. An employment agency to:
60 a. Fail or refuse to refer for employment, or otherwise discriminate against, any individual because of
61 such individual's race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy,
62 childbirth or related medical conditions, age, military status, disability, or ethnic or national origin; or
63 b. Classify or refer for employment any individual on the basis of such individual's race, color, religion,
64 sex, sexual orientation, gender identity, marital status, pregnancy, childbirth or related medical conditions,
65 age, military status, disability, or ethnic or national origin.
66 3. A labor organization to:
67 a. Exclude or expel from its membership, or otherwise discriminate against, any individual because of
68 such individual's race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy,
69 childbirth or related medical conditions, age, military status, disability, or ethnic or national origin;
70 b. Limit, segregate, or classify its membership or applicants for membership, or classify or fail to or refuse
71 to refer for employment any individual, in any way that would deprive or tend to deprive such individual of
72 employment opportunities, or would limit such employment opportunities or otherwise adversely affect an
73 individual's status as an employee or as an applicant for employment, because of such individual's race, color,
74 religion, sex, sexual orientation, gender identity, marital status, pregnancy, childbirth or related medical
75 conditions, age, military status, disability, or ethnic or national origin; or
76 c. Cause or attempt to cause an employer to discriminate against an individual in violation of subdivisions
77 a or b.
78 4. An employer, labor organization, or joint apprenticeship committee to discriminate against any
79 individual in any program to provide apprenticeship or other training program on the basis of such
80 individual's race, color, religion, sex, sexual orientation, gender identity, pregnancy, childbirth or related
81 medical conditions, age, military status, disability, or ethnic or national origin.
82 5. An employer, in connection with the selection or referral of applicants or candidates for employment or
83 promotion, to adjust the scores of, use different cutoff scores for, or otherwise alter the results of
84 employment-related tests on the basis of race, color, religion, sex, sexual orientation, gender identity, marital
85 status, pregnancy, childbirth or related medical conditions, age, military status, disability, or ethnic or
86 national origin.
87 6. Except as otherwise provided in this chapter, an employer to use race, color, religion, sex, sexual
88 orientation, gender identity, marital status, pregnancy, childbirth or related medical conditions, age, military
89 status, disability, or ethnic or national origin as a motivating factor for any employment practice, even though
90 other factors also motivate the practice.
91 7. (i) An employer to discriminate against any employees or applicants for employment, (ii) an
92 employment agency or a joint apprenticeship committee controlling an apprenticeship or other training
93 program to discriminate against any individual, or (iii) a labor organization to discriminate against any
94 member thereof or applicant for membership because such individual has opposed any practice made an
95 unlawful discriminatory practice by this chapter or because such individual has made a charge, testified,
96 assisted, or participated in any manner in an investigation, proceeding, or hearing under this chapter.
97 8. An employer, labor organization, employment agency, or joint apprenticeship committee controlling an
98 apprenticeship or other training program to print or publish, or cause to be printed or published, any notice or
99 advertisement relating to (i) employment by such an employer, (ii) membership in or any classification or
100 referral for employment by such a labor organization, (iii) any classification or referral for employment by
101 such an employment agency, or (iv) admission to, or employment in, any program established to provide
102 apprenticeship or other training by such a joint apprenticeship committee that indicates any preference,
103 limitation, specification, or discrimination based on race, color, religion, sex, sexual orientation, gender
104 identity, marital status, pregnancy, childbirth or related medical conditions, age, military status, disability, or
105 ethnic or national origin, except that such a notice or advertisement may indicate a preference, limitation,
106 specification, or discrimination based on religion, sex, age, or ethnic or national origin when religion, sex,
107 age, or ethnic or national origin is a bona fide occupational qualification for employment.
108 9. *An employer, in connection with the selection or referral of applicants or candidates for employment,
109 to make inquiries or otherwise seek information about such an applicant, including through the use of any
110 form or application, relating to whether such applicant receives qualified federal benefits.*
111 C. Notwithstanding any other provision of this chapter, it is not an unlawful discriminatory practice:
112 1. For (i) an employer to hire and employ employees; (ii) an employment agency to classify, or refer for
113 employment, any individual; (iii) a labor organization to classify its membership or to classify or refer for
114 employment any individual; or (iv) an employer, labor organization, or joint apprenticeship committee to
115 admit or employ any individual in any apprenticeship or other training program on the basis of such
116 individual's religion, sex, or age in those certain instances where religion, sex, or age is a bona fide
117 occupational qualification reasonably necessary to the normal operation of that particular employer,
118 employment agency, labor organization, or joint apprenticeship committee;
119 2. For an elementary or secondary school or institution of higher education to hire and employ employees

120 of a particular religion if such elementary or secondary school or institution of higher education is, in whole
 121 or in substantial part, owned, supported, controlled, or managed by a particular religion or by a particular
 122 religious corporation, association, or society or if the curriculum of such elementary or secondary school or
 123 institution of higher education is directed toward the propagation of a particular religion;

124 3. For an employer to apply different standards of compensation, or different terms, conditions, or
 125 privileges of employment, pursuant to a bona fide seniority or merit system, or a system that measures
 126 earnings by quantity or quality of production, or to employees who work in different locations, provided that
 127 such differences are not the result of an intention to discriminate because of race, color, religion, sex, sexual
 128 orientation, gender identity, marital status, pregnancy, childbirth or related medical conditions, age, military
 129 status, disability, or ethnic or national origin;

130 4. For an employer to give and to act upon the results of any professionally developed ability test,
 131 provided that such test, its administration, or an action upon the results is not designed, intended, or used to
 132 discriminate because of race, color, religion, sex, sexual orientation, gender identity, marital status,
 133 pregnancy, childbirth or related medical conditions, age, military status, disability, or ethnic or national
 134 origin;

135 5. For an employer to provide reasonable accommodations related to disability, pregnancy, childbirth or
 136 related medical conditions, and lactation, when such accommodations are requested by the employee; or

137 6. For an employer to condition employment or premises access based upon citizenship where the
 138 employer is subject to any requirement imposed in the interest of the national security of the United States
 139 under any security program in effect pursuant to or administered under any statute or regulation of the federal
 140 government or any executive order of the President of the United States.

141 D. Nothing in this chapter shall be construed to require any employer, employment agency, labor
 142 organization, or joint apprenticeship committee to grant preferential treatment to any individual or to any
 143 group because of such individual's or group's race, color, religion, sex, sexual orientation, gender identity,
 144 marital status, pregnancy, childbirth or related medical conditions, age, military status, disability, or ethnic or
 145 national origin on account of an imbalance that may exist with respect to the total number or percentage of
 146 persons of any race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy,
 147 childbirth or related medical conditions, age, military status, disability, or ethnic or national origin employed
 148 by any employer, referred or classified for employment by any employment agency or labor organization,
 149 admitted to membership or classified by any labor organization, or admitted to or employed in any
 150 apprenticeship or other training program, in comparison with the total number or percentage of persons of
 151 such race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, childbirth or
 152 related medical conditions, age, military status, disability, or ethnic or national origin in any community.

153 E. The provisions of this section shall not apply to the employment of individuals of a particular religion
 154 by a religious corporation, association, educational institution, or society to perform work associated with its
 155 activities.

156 *Article 13.*
 157 *Corporate Welfare Tax.*

158 **§ 58.1-1749. Corporate welfare tax.**

159 A. *For purposes of this section:*

160 "Employee" means any (i) full-time or part-time employee and (ii) individual who is a full-time or part-
 161 time independent contractor, including any employee of such independent contractor.

162 "Large employer" means an employer that employed on average at least 500 employees on business days
 163 during the preceding calendar year.

164 "Qualified employee benefits" means the sum of the qualified federal benefits received by individuals who
 165 are employees of such person for such taxable year.

166 "Qualified federal benefits" means any means-tested benefit program administered by the federal
 167 government, including (i) the dollar value of supplemental nutrition assistance for which the household that
 168 includes such an employee is eligible; (ii) the dollar value of meals that such employee or dependents of such
 169 employee are eligible for under the school lunch program under the Richard B. Russell National School
 170 Lunch Act, P.L. 79-396, and the school breakfast program under the Child Nutrition Act, P.L. 89-642; (iii)
 171 the aggregate amount of the monthly assistance payments for rental of a dwelling unit that such individual's
 172 household is a member of is eligible to have made on its behalf pursuant to the United States Housing Act,
 173 P.L. 75-412; and (iv) the amount of payments made under the Social Security Act, P.L. 74-271, with respect
 174 to expenditures made under the Commonwealth's Medicaid plan for medical assistance for such employee or
 175 for dependents of such employee.

176 B. *In addition to any other tax or fee imposed under the provisions of this title, there is hereby imposed on*
 177 *each large employer a tax equal to 100 percent of the qualified employee benefits received by employees of*
 178 *such large employer residing in the Commonwealth for the taxable year.*

179 C. *Large employers shall submit to the Department quarterly employment rosters for use in determining*
 180 *the amount of qualified employee benefits received by such large employer's employees. The Department*
 181 *shall execute an interagency agreement with the Department of Social Services to obtain identifying data for*

182 *individuals receiving qualified federal benefits and shall compare such data with employment rosters*
183 *received from large employers to identify those employees of such large employer receiving qualified federal*
184 *benefits.*