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1 **HOUSE BILL NO. 1211**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

4 *A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered*  
5 *58.1-339.15, relating to individual income tax; first-time homebuyer tax credit.*

6 Patron—Sewell

7 Committee Referral Pending

8 **Be it enacted by the General Assembly of Virginia:**9 **1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section**  
10 **numbered 58.1-339.15 as follows:**11 **§ 58.1-339.15. First-time homebuyer tax credit.**12 **A. As used in this section:**13 *"First-time homebuyer" means an individual or married individuals filing jointly (i) who have had no*  
14 *ownership interest in a principal residence during the preceding three-year period ending on the date of*  
15 *purchase of the residential real property detailed on the purchase agreement and (ii) who have an annual*  
16 *household income in the most recent taxable year that does not exceed the greater of (a) \$100,000 or (b) 120*  
17 *percent of the median annual household income for the locality in which such residential real property is*  
18 *situated according to the most recent data available from the U.S. Census Bureau.*19 *"Principal residence" means the residential real property an owner occupies as his permanent home and*  
20 *uses as his principal dwelling place.*21 **B. For taxable years beginning on and after January 1, 2026, but before January 1, 2031, a first-time**  
22 **homebuyer who purchases a principal residence shall be allowed a one-time nonrefundable credit against**  
23 **the tax levied pursuant to § 58.1-320 in an amount equal to \$5,000. The aggregate amount of credits**  
24 **allowable under this section shall not exceed \$10 million per taxable year. Credits shall be allocated by the**  
25 **Department on a first-come, first-served basis.**26 **C. The amount of the credit that may be claimed in any single taxable year shall not exceed the taxpayer's**  
27 **liability for taxes imposed by this chapter for that taxable year. If the amount of the credit allowed under this**  
28 **section exceeds the taxpayer's tax liability for the taxable year in which the purchase of the principal**  
29 **residence occurred, the amount that exceeds the tax liability may be carried over for credit against the**  
30 **income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been**  
31 **taken, whichever is sooner.**32 **D. Any credit amount claimed pursuant to this section shall be repaid to the Commonwealth in the event**  
33 **that the principal residence purchased by the first-time homebuyer for which such credit was claimed is sold**  
34 **or no longer serves as the first-time homebuyer's principal residence within three years from the purchase**  
35 **date of such property. Repayment pursuant to this subsection shall not be required if the principal residence**  
36 **is sold or no longer serves as the first-time homebuyer's principal residence as a result of (i) a natural**  
37 **disaster or other act of God that made such residential real property uninhabitable or (ii) a military**  
38 **relocation.**39 **E. The Tax Commissioner shall develop guidelines for claiming the credit and for any repayment**  
40 **requirements provided by this section. Such guidelines shall be exempt from the provisions of the**  
41 **Administrative Process Act (§ 2.2-4000 et seq.).**

INTRODUCED

HB1211