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**SENATE BILL NO. 696**

Offered January 14, 2026

Prefiled January 14, 2026

*A BILL to amend and reenact § 58.1-400 of the Code of Virginia, relating to corporate income tax rate.*

Patron—Jordan

Referred to Committee on Finance and Appropriations

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

**1. That § 58.1-400 of the Code of Virginia is amended and reenacted as follows:**

**§ 58.1-400. Imposition of tax.**

A tax ~~at the rate of six percent~~ is hereby annually imposed on the Virginia taxable income for each taxable year of every corporation organized under the laws of the Commonwealth and every foreign corporation having income from Virginia sources *(i) for taxable years beginning before January 1, 2026, at the rate of six percent; (ii) for taxable years beginning on and after January 1, 2026, but before January 1, 2027, at the rate of 4.75 percent; (iii) for taxable years beginning on and after January 1, 2027, but before January 1, 2028, at the rate of 3.5 percent; and (iv) for taxable years beginning on and after January 1, 2028, at the rate of 2.25 percent.*

**2. That the provisions of this act shall be effective only for taxable years beginning on and after January 1, 2026.**

INTRODUCED

SB696