

2020 SPECIAL SESSION I

INTRODUCED

20200578D

HOUSE BILL NO. 5129

Offered August 25, 2020

A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to income tax credit for pandemic-related education expenses.

Patron—McGuire

Committee Referral Pending

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 58.1-339.13 as follows:

§ 58.1-339.13. Tax credit for pandemic-related education expenses.

A. As used in this section:

"Pandemic-related education expenses" means any education expenses incurred and paid by the taxpayer for his child's education, so long as such expenses meet the following criteria: (i) they exclude any education expenses regularly incurred prior to the COVID-19 pandemic; (ii) they are paid to a private sectarian or nonsectarian elementary or secondary school or preschool that is located in the Commonwealth and does not discriminate on the basis of race, color, or national origin; (iii) they are verified pursuant to Department guidelines; and (iv) they were incurred between August 1, 2020, and July 31, 2021, due to closures of the taxpayer's child's elementary or secondary school as a result of the COVID-19 pandemic or due to such school not offering in-classroom education.

B. For the taxable years beginning on and after January 1, 2020, but before January 1, 2022, an individual or married persons filing a joint return shall be allowed a refundable credit against the tax imposed pursuant to § 58.1-320 of 50 percent of pandemic-related education expenses.

C. The amount of the credit allowed under this section shall not exceed the lesser of \$4,500 or the actual amount of pandemic-related education expenses incurred. If two parents of the same child file separately, only one of the two parents may claim the credit allowed under this section.

D. If the amount of the credit allowed under this section exceeds the taxpayer's tax liability for the taxable year in which the pandemic-related education expenses were incurred, the amount that exceeds the tax liability shall be refunded. The refundable portion of the credit shall be claimed on the Virginia income tax return and redeemed pursuant to procedures established by the Tax Commissioner.

E. The Department shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) and shall describe the process by which a taxpayer may verify their pandemic-related education expenses for claiming the credit provided by this section.

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