

**DEPARTMENT OF TAXATION  
2022 Fiscal Impact Statement**

1. **Patron** Roxann L. Robinson
3. **Committee** Senate Finance and Appropriations
4. **Title** Individual Income Tax; Refund for Certain Taxpayers

2. **Bill Number** HB 935  
**House of Origin:**  
 \_\_\_\_\_ **Introduced**  
 \_\_\_\_\_ **Substitute**  
 \_\_\_\_\_ **Engrossed**
- Second House:**  
X **In Committee**  
 \_\_\_\_\_ **Substitute**  
 \_\_\_\_\_ **Enrolled**

**5. Summary/Purpose:**

This bill would provide a tax refund to taxpayers in an amount equal to \$300 for individuals and \$600 for married persons filing a joint return. A taxpayer would be required to file a final individual income tax return on or before November 1, 2022 to qualify for the refund that this bill would provide. A refund would only be allowed up to the amount of such individual's or married person's tax liability after the application of any deductions, subtractions, or credits to which the individual or married persons are otherwise entitled.

If enacted during the 2022 Regular Session of the General Assembly, this bill would become effective July 1, 2022.

**This is Executive Legislation.**

6. **Budget amendment necessary:** Yes.  
 Item(s): Page 1, Revenue Estimates
7. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021-22	\$0	-
2022-23	(\$202.8 million)	GF
2023-24	\$0	-
2024-25	\$0	-
2025-26	\$0	-
2026-27	\$0	-
2027-28	\$0	-

## **8. Fiscal implications:**

### Administrative Costs

The Department of Taxation would incur costs of \$638,475 in FY 2022, \$785,303 in FY 2023, and \$93,375 in FY 2024. These costs include the costs of determining which taxpayers would be entitled to the additional refund, processing of refunds, and hiring additional wage employees to handle the increased processing and correspondence. In addition, the Department of Treasury estimates that it would incur \$2.5 million in postage, banking services, and printer costs during Fiscal Year 2023. No budget amendment would be necessary with respect to such administrative costs because they are assumed in the introduced budget.

### Revenue Impact

This bill would result in an estimated negative General Fund revenue impact of \$1.251 billion in FY 2023. However, the General Fund revenue impact of providing a \$250 rebate for individuals and \$500 rebate for married persons filing jointly is assumed in the introduced budget. As a result, a budget amendment of \$202.8 million in FY 2023 is required to account for the higher rebate amounts that would be provided by this bill.

## **9. Specific agency or political subdivisions affected:**

Department of Taxation

## **10. Technical amendment necessary: No.**

## **11. Other comments:**

### Refunds for Taxable Year 2018 Filers

During the 2019 Session, the General Assembly enacted legislation that provided a refund of up to \$110 to an individual or up to \$220 to married persons filing a joint return. In order to receive a refund, the individual or married persons were required to file a final return for Taxable Year 2018 before July 1, 2019. A refund was only allowed up to the amount of such individual's or married person's tax liability after the application of any deductions, subtractions, or credits to which the individual or married persons are otherwise entitled. Any refund continued to be subject to collection under Virginia's Setoff Debt Collection Act.

### Proposed Legislation

This bill would provide a tax refund to taxpayers in an amount equal to \$300 for individuals and \$600 for married persons filing a joint return. A taxpayer would be required to file a final individual income tax return on or before November 1, 2022 to qualify for the refund that this bill would provide. A refund would only be allowed up to the amount of such individual's or married person's tax liability after the application of any deductions, subtractions, or credits to which the individual or married persons are otherwise entitled.

Any refunds issued under this bill would be subject to collection under the provisions of Virginia's Setoff Debt Collection Act.

If enacted during the 2022 Regular Session of the General Assembly, this bill would become effective July 1, 2022.

Similar Legislation

**Senate Bill 579** is substantially similar to this bill except the refund would be equal to the amount as set forth in the Appropriation Act.

cc : Secretary of Finance

Date: 2/21/2022 JLOF  
HB935FE161