

SENATE BILL NO. 564

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations

on _____)

(Patron Prior to Substitute--Senator Hackworth)

A BILL to direct the Department of Taxation and Commission on Local Government to assess the need for income tax relief in certain double distressed localities in the Commonwealth.

Be it enacted by the General Assembly of Virginia:

1. § 1. That the Department of Taxation and the Commission on Local Government (the Commission) shall assess the need for income tax relief in double distressed localities across the Commonwealth that have suffered a significant loss of population since 2013. For purposes of this act, "double distressed locality" means a Virginia locality (i) with an annual unemployment rate for the most recent calendar year for which such data is available as of December 31, 2023, that is greater than the final statewide average unemployment rate for that calendar year and (ii) with a poverty rate for the most recent calendar year for which such data is available as of December 31, 2023, that exceeds the statewide average poverty rate for that calendar year. The assessment shall include (i) determining the cost-of-living increase experienced in such localities over the past decade; (ii) determining whether income tax relief would alleviate population loss and fiscal distress in such localities; and (iii) investigating tax policy options to alleviate the burden of income taxes on populations in double distressed localities that have suffered a significant loss of population since 2013. The Department of Taxation and the Commission shall collaborate with relevant stakeholders in double distressed localities in conducting its assessment. The Department of Taxation and the Commission shall report its recommendations to the Governor and the Chairmen of the Senate Committee on Finance and Appropriations and the House Committees on Finance and Appropriations by November 1, 2024.

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