
VIRGINIA STATE BUDGET

2026 Session

Budget Bill - HB29 (Chapter 7)

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Neighborhood Assistance Act Tax Credit

Item 3-5.18

§ 3-5.18 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. Notwithstanding § 58.1-439.20 or any other provision of law, for fiscal Year 2025 and fiscal year 2026, the amount of the Neighborhood Assistance Act Tax Credit available under § 58.1-439.18 et seq., Code of Virginia, shall be limited to \$20 million allocated as follows: \$12.0 million for education proposals for approval by the Superintendent of Public Instruction and \$8.0 million for all other proposals for approval by the Commissioner of the State Department of Social Services. In making such equitable allocation of credits, the Commissioner of Social Services and the Superintendent of Public Instruction shall consider the portion of a neighborhood organization's revenues and expenses that are used to serve low-income persons and shall not rely solely on the amount of credits allocated to the neighborhood organization in the prior year in allocating available credits.

B. For purposes of this section, the term "individual" means the same as that term is defined in § 58.1-302, but excluding any individual included in the definition of a "business firm" as such term is defined in § 58.1-439.18.

C. Notwithstanding any other provision of law or regulation, in order to be eligible to receive an allocation of credits pursuant to § 58.1-439.20:1, Code of Virginia, at least 50 percent of the persons served by the neighborhood organization, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups serving such persons, shall be low-income persons or eligible students with disabilities and at least 50 percent of the neighborhood organization's revenues shall be used to provide services to low-income persons or to eligible students with disabilities, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups providing such services. A tax credit shall be issued by the Superintendent of Public Instruction or the Commissioner of Social Services to an individual only upon receipt of a certification made by a neighborhood organization to whom tax credits were allocated for an approved program pursuant to § 58.1-439.20, § 58.1-439.20:1 or this language.