



# COMMONWEALTH of VIRGINIA

Department of Taxation

January 14, 2009

The Honorable Charles J. Colgan  
Chairman, Senate Finance Committee  
10677 Aviation Lane  
Manassas, Virginia 20110

The Honorable Harry R. Purkey  
Chairman, House Finance Committee  
2352 Leeward Shore Drive  
Virginia Beach, Virginia 23451

Re: Voluntary Contributions – Amounts Collected for Three Previous Years

Dear Chairmen:

Pursuant to Va. Code § 58.1-344.3, the Department of Taxation is required to report to the Chairmen of the Senate and House Finance Committees the amounts collected for each voluntary contribution for the three most recent taxable years for which there is complete data. This report is also required to list which entities, if any, will be removed from the Virginia individual income tax return because they have failed to meet the \$10,000 per year requirement. Finally, the report must list which entities, if any, will be added to the income tax return in order to bring the total number of voluntary contributions to 25.

The following table summarizes the contributions added and deleted for taxable year 2009:

Changes to be made to the individual income tax return for 2009:	
<u>Delete</u>	<u>Add</u>
<ul style="list-style-type: none"> <li>Brown v. Board of Education Scholarship Program Fund</li> </ul>	<ul style="list-style-type: none"> <li>Public library foundations</li> </ul>

If the General Assembly takes no action, the voluntary contribution for the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009



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If the General Assembly takes no action, the voluntary contribution for the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009 individual income tax return. The Brown v. Board of Education Scholarship Fund failed to receive \$10,000 in its first two years on the return. In 2006, the organization received \$6,914 in voluntary contributions, and in 2007 it received \$6,115 in voluntary contributions. In 2008, the Brown v. Board of Education Scholarship Fund will have appeared on the return for three taxable years. Therefore, it will be removed from the list on the 2009 return.

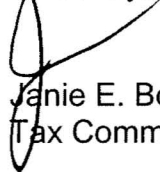
At this time, there are no organizations that are scheduled to be removed from the list of voluntary contributions on the 2010 individual income tax return. The data indicates that the current contributions have all met the \$10,000 threshold.

The following contributions are awaiting space on the return:

- Public library foundations
- Celebrating Special Children, Inc. Fund
- Medicare Part D Counseling Fund
- Community foundations
- Virginia Foundation for Community College Education

The enclosed document presents the report for 2008. Please let me know if you have any questions.

Sincerely,



Janie E. Bowen  
Tax Commissioner

JEB/tlg

Enclosure

# Voluntary Contributions: Amounts Collected for 2005-2007

## Introduction

In 2004, the General Assembly enacted House Bill 1486, which limited the number of organizations qualifying for voluntary contributions to 25, and required that organizations receive at least \$10,000 in voluntary contributions annually for at least 3 consecutive years in order to continue to be included on the individual income tax return.

In 2005, the General Assembly clarified this requirement by passing House Bill 2303. This bill created a new process for limiting the voluntary contributions listed on the Virginia individual income tax return. As required by the 2004 legislation, the number of contributions is limited to 25, and all entities eligible to receive voluntary contributions must receive at least \$10,000 in each of the three previous taxable years for which there is complete data and for which the entity is listed on the individual income tax return. In addition, each new entity is required to be listed on the individual income tax return for three consecutive taxable years before the \$10,000 requirement is applied to it.

At the time that these changes were made, a survey of the other states that impose a broad-based income tax on individuals showed that Virginia, with 27 voluntary contributions, had by far the most voluntary contributions. The average number of voluntary contributions per state at that time was 6.

## Changes to the 2008 Income Tax Return

The voluntary contribution for the Office of Commonwealth Preparedness was removed from the 2008 individual income tax return because it failed to receive \$10,000 in its first two years on the return, which were 2005 and 2006. As a result, one new voluntary contribution was allowed to be added to the list for the 2008 individual income tax return. The voluntary contribution that was added was for the Virginia Caregivers Grant Fund.

The voluntary contribution for the Jamestown-Yorktown Foundation was also removed from the individual income tax return for 2008. While this organization did not fail to receive \$10,000 per year in contributions, it was only authorized for taxable years beginning before January 1, 2008 under *Va. Code* § 58.1-344.3 C.3. Thus, it could only remain on the return through 2007. As a result of the removal of this organization, the voluntary contribution for the Virginia Military Family Relief Fund was allowed to be added to the list for the 2008 individual income tax return.

## Amounts Collected for Each Voluntary Contribution

The chart below provides the amounts collected for each voluntary contribution that will be listed on the 2008 Virginia individual income tax voluntary contributions for the three previous taxable years.

<b>Amount Collected for Voluntary Contributions - 2005-2007</b>							
Program/Fund	First Return	2005 Return		2006 Return		2007 Return	
		Number	Amount	Number	Amount	Number	Amount
1. Virginia Nongame Wildlife Program	1981	5,757	\$142,237	5,685	\$143,799	6,010	\$148,221
2. Virginia Open Space Recreation and Conservation Fund	1988	2,726	\$63,488	2,661	\$64,209	3,018	\$67,979
3. Combined Political Party Contributions	1982	2,691	\$55,298	2,626	\$53,201	2,919	\$58,834
4. United States Olympic Committee	1988	1,310	\$25,069	1,138	\$22,164	1,345	\$27,765
5. Virginia Housing Program	1997	1,901	\$45,729	1,889	\$45,264	2,202	\$51,396
6. Virginia Family and Children's Trust Fund	1998	1,434	\$36,251	1,299	\$36,034	1,383	\$33,787
7. Virginia Elderly and Disabled Transportation Fund	1997	3,067	\$71,018	3,107	\$74,548	3,508	\$80,536
8. Community Policing Fund	1994	820	\$16,270	810	\$14,872	1,028	\$19,718
9. Virginia Arts Foundation	1997	1,176	\$20,578	1,190	\$24,258	1,687	\$32,372
10. Chesapeake Bay Restoration	1997	6,034	\$150,589	6,255	\$164,221	4,800	\$123,169
11. Historic Resources Fund	1998	933	\$16,302	945	\$16,447	1,212	\$22,485
12. State Forests Systems Fund	1999	2,036	\$37,533	2,100	\$40,959	1,902	\$37,315
13. Uninsured Medical Catastrophe Fund	1999	1,108	\$26,618	1,138	\$30,456	1,141	\$23,818
14. Children of America Finding Hope	2001	964	\$23,804	974	\$23,456	1,052	\$24,334
15. Public School Foundations	2002	1,443	\$41,736	1,451	\$45,310	1,232	\$40,538
16. Home Energy Assistance	2003	1,297	\$30,108	1,303	\$30,477	1,677	\$35,885
17. War Memorial & National D-Day Memorial	2003	759	\$14,828	715	\$14,930	802	\$15,080
18. Virginia Federation of Humane Societies	2004	1,077	\$23,720	1,199	\$26,647	1,537	\$36,752
19. Tuition Assistance Grant Fund	2004	685	\$13,090	715	\$18,936	902	\$16,328
20. Spay and Neuter Fund	2004	1,752	\$37,191	1,736	\$38,329	2,283	\$46,532
21. Cancer Centers	2006			1,101	\$29,671	1,682	\$38,718
22. Brown v. Board of Education Scholarship Program Fund	2006			274	\$6,914	364	\$6,115
23. Martin Luther King, Jr. Living History and Public Policy Center Fund	2007					632	\$11,738
24. Virginia Caregivers Grant Fund	Was added to the 2008 income tax return						
25. Virginia Military Family Relief Fund	Was added to the 2008 income tax return						
<b>Total</b>		38,907	\$891,457	40,311	\$965,102	44,318	\$999,415

## Changes to the 2009 Income Tax Return

If the General Assembly takes no action, the voluntary contribution for the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009 individual income tax return. The Brown v. Board of Education Scholarship Fund failed to receive \$10,000 in its first two years on the return, which were 2006 and 2007. Under the requirements of *Va. Code* § 58.1-344.3 A.1, an entity must receive at least \$10,000 in each of the three preceding years. In 2008, the Brown v. Board of Education Scholarship Fund will have appeared on the return for three taxable years,

as required by *Va. Code* § 58.1-344.3 A.3.b. Therefore, the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009 return.

The removal of the voluntary contribution for the Brown v. Board of Education Scholarship Program Fund from the 2009 return will allow the voluntary contribution for public libraries foundations to be added. If this voluntary contribution is added, the voluntary contributions for the Celebrating Special Children, Inc. Fund, the Medicare Part D Counseling Fund, community foundations, and the Virginia Foundation for Community College Education will remain on the waiting list.

### Changes to the 2010 Income Tax Return

At this time, there are no organizations that are scheduled to be removed from the list of voluntary contributions on the 2010 individual income tax return. The data indicates that the current contributions have all met the \$10,000 threshold. If any organizations fail to meet that threshold on the 2009 return and all other requirements are met, however, such organizations would be removed from the 2010 income tax return.

### Summary of Voluntary Contributions

Set out in the table below is a summary of all of the voluntary contributions that have been removed from or added to the individual income tax return or have appeared on the waiting list since the adoption of House Bill 2003 in 2005 (codified at *Va. Code* § 58.1-344.3).

<b>Summary of Voluntary Contributions</b>			
<b>2005: Changes Reflected On Income Tax Returns For 2005</b>			
<b>Program / Fund</b>	<b>Enacted</b>	<b>Action</b>	<b>Comments</b>
University of Virginia Center for Government Studies	1999 ch. 948	<ul style="list-style-type: none"> <li>• Removed from 2005 return</li> <li>• First appeared on 1999 return</li> </ul>	<ul style="list-style-type: none"> <li>• § 58.1-344.3 B 11</li> <li>• Failed to receive \$10,000 in 2001, 2002 &amp; 2003</li> <li>• Expired with 2004 return</li> </ul>
George Mason Law and Economics Center	1999 ch. 948	<ul style="list-style-type: none"> <li>• Removed from 2005 return</li> <li>• First appeared on 1999 return</li> </ul>	<ul style="list-style-type: none"> <li>• § 58.1-344.3 B 12</li> <li>• Failed to receive \$10,000 in 2001, 2002 &amp; 2003</li> <li>• Expired with 2004 return</li> </ul>
Virginia Foundation for the Humanities and Public Policy Fund	1999 ch. 948	<ul style="list-style-type: none"> <li>• Removed from 2005 return</li> <li>• First appeared on 1999 return</li> </ul>	<ul style="list-style-type: none"> <li>• § 58.1-344.3 B 10</li> <li>• Failed to receive \$10,000 in 2001, 2002 &amp; 2003</li> <li>• Expired with 2004 return</li> </ul>
Office of Commonwealth Preparedness	2004 ch. 649	<ul style="list-style-type: none"> <li>• Added to 2005 return</li> </ul>	<ul style="list-style-type: none"> <li>• § 58.1-344.3 B 21</li> </ul>

## Summary of Voluntary Contributions

### 2006: Changes Reflected On Income Tax Returns For 2006

Program / Fund	Enacted	Action	Comments
4-H Educational Centers (4H Camp)	2001 ch. 535	<ul style="list-style-type: none"> <li>Removed from 2006 return</li> <li>First appeared on 2002 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 14</li> <li>Failed to receive \$10,000 in 2002, 2003 &amp; 2004</li> </ul>
Virginia Transplant Council	2001 ch. 560	<ul style="list-style-type: none"> <li>Removed from 2006 return</li> <li>First appeared on 2002 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 15</li> <li>Failed to receive \$10,000 in 2002, 2003 &amp; 2004</li> </ul>
Cancer Centers	2004 ch. 649	<ul style="list-style-type: none"> <li>Added to 2006 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 22</li> </ul>
Brown v. Board of Education Scholarship Program Fund	2005 ch. 860, 889	<ul style="list-style-type: none"> <li>Added to 2006 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 23</li> </ul>

### 2007: Changes Reflected On Income Tax Returns For 2007

Program / Fund	Enacted	Action	Comments
Commission for the Arts	2003 ch. 878	<ul style="list-style-type: none"> <li>Removed from 2007 return</li> <li>First appeared on 2004 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 20</li> <li>Failed to receive \$10,000 in 2004</li> <li>Commission also receives contributions via checkoff for Virginia Arts Foundation</li> </ul>
Martin Luther King, Jr. Living History and Public Policy Center Fund	2005 ch. 860, 889	<ul style="list-style-type: none"> <li>Added to 2007 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 24</li> </ul>

### 2008: Changes Reflected On Income Tax Returns For 2008

Program / Fund	Enacted	Action	Comments
Office of Commonwealth Preparedness	2004 ch. 649	<ul style="list-style-type: none"> <li>Removed from 2008 return</li> <li>First appeared on 2005 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 21</li> <li>Failed to receive \$10,000 in 2005 and 2006</li> </ul>
Jamestown-Yorktown Foundation	1999 ch. 210	<ul style="list-style-type: none"> <li>Removed from 2008 return</li> <li>First appeared on 2000 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 C 3</li> <li>Authorized for taxable years beginning before January 1, 2008</li> </ul>
Virginia Caregivers Grant Fund	2005 ch. 860, 889	<ul style="list-style-type: none"> <li>Added to 2008 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 25</li> </ul>
Virginia Military Family Relief Fund	2006 ch. 103, 479	<ul style="list-style-type: none"> <li>Added to 2008 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 C 8</li> </ul>

### 2009: Changes To Be Reflected On Income Tax Returns For 2009

Program / Fund	Enacted	Action	Comments
Brown v. Board of Education Scholarship Program Fund	2005 ch. 860, 889	<ul style="list-style-type: none"> <li>To be removed from 2009 return</li> <li>First appeared on 2006 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 23</li> <li>Failed to receive \$10,000 in 2006 and 2007</li> </ul>
Public library foundations	2007 ch. 70	<ul style="list-style-type: none"> <li>To be added to 2009 return</li> </ul>	<ul style="list-style-type: none"> <li>§ 58.1-344.3 B 26</li> <li>Assumes one entity removed from return in 2009</li> </ul>