

Task Force #1 HJR 60 (2002)

State Income Tax Issue

3. Increase the standard deduction for married persons from \$5,000 to \$7,000 and for single persons from \$3,000 to \$5,000

Currently, taxpayers in Virginia who do not itemize their deductions are allowed a standard deduction in calculating their Virginia taxable income. The annual standard deduction for married taxpayers filing a joint return is \$5,000 and \$3,000 for single taxpayers.

The Morris Commission suggested increasing the standard deduction to \$7,000 for married taxpayers and \$5,000 for singles.

Attached is an explanation, prepared by the Department of Taxation of the fiscal impact of such increases in the standard deduction for fiscal years 2003 through 2006.