

**Task Force #1
HJR 60 (2002)**

State Income Tax Issue

6. Make social security income subject to Virginia income tax.

Currently when calculating their Virginia taxable income, taxpayers are allowed to subtract, to the extent included in federal adjusted gross income, all social security benefits.

The Morris Commission proposed eliminating this subtraction which would then subject taxpayers' social security income to the Virginia income tax.

Attached is an explanation, prepared by the Department of Taxation of the fiscal impact of making social security income subject to Virginia income tax for fiscal years 2003 through 2006.