

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Taxation
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	N/A
<b>VAC Chapter title(s)</b>	N/A
<b>Action title</b>	N/A
<b>Date this document prepared</b>	10/16/2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Final

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: As these updates will conform the statutorily-required guidelines (“the guidelines”) to changes in the statutory law passed in 2023 (House Bill 2445 (2023 Acts of Assembly, Chapter 165) and Senate Bill 1525 (2023 Acts of Assembly, Chapter 166) and clarify the Department of Taxation’s existing processes, it will have no direct costs to either taxpayers or the Department.</p> <p>Indirect Costs: As these updates will conform the guidelines to changes in the statutory law passed in 2023 and clarify the Department of Taxation’s existing processes, it will have no indirect costs to either taxpayers or the Department.</p> <p>Direct Benefits: As these updates will conform the guidelines to current statutory law and clarify the Department of Taxation’s existing processes, it may result in unknown direct benefits to the Department of Taxation and to taxpayers to the extent that it eliminates any possible confusion to Department of Taxation staff and taxpayers resulting from guidelines that do not conform to current statutory law and existing processes. The Department of Taxation is unable to quantify these benefits.</p> <p>Indirect Benefits: As these updates will conform the guidelines to current statutory law and clarify existing processes, it may result in unknown indirect benefits to the Department of Taxation and to taxpayers to the extent that it eliminates any possible taxpayer confusion resulting from guidelines that do not conform to current statutory law and existing processes. The Department of Taxation is unable to quantify these benefits.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) As these updates will conform the guidelines to changes in the statutory law passed in 2023 (House Bill 2445 (2023 Acts of Assembly, Chapter 165) and Senate Bill 1525 (2023 Acts of Assembly, Chapter 166)) and clarify the Department of Taxation’s existing processes, which have already been implemented by the Department of Taxation</p>	<p>(b) As these updates will conform the guidelines to changes in the statutory law passed in 2023 (House Bill 2445 (2023 Acts of Assembly, Chapter 165) and Senate Bill 1525 (2023 Acts of Assembly, Chapter 166)) and clarify the Department of Taxation’s existing processes, it may result in unknown direct and indirect benefits to the Department of Taxation and to taxpayers to the extent that it eliminates any possible confusion to Department of Taxation staff and taxpayers resulting from guidelines that do not conform to current</p>

	and taxpayers, it will have no direct or indirect costs to either.	statutory law. The Department of Taxation is unable to quantify these benefits.
(3) Net Monetized Benefit	Unknown (see discussion above).	
(4) Other Costs & Benefits (Non-Monetized)	Unknown (see discussion above).	
(5) Information Sources	Not applicable.	

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As the current guidelines are incorrect, there may be unknown direct costs resulting from possible taxpayer confusion resulting from guidelines that do not conform to current statutory law and existing processes.</p> <p>Indirect Costs: Indirect Costs: As the current guidelines are incorrect, there may be unknown indirect costs resulting from possible taxpayer confusion resulting from leaving in place guidelines that do not conform to current statutory law and processes.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown.	(b) None.
(3) Net Monetized Benefit	Unknown.	
(4) Other Costs & Benefits (Non-Monetized)	Unknown.	
(5) Information Sources	Not applicable.	

**Table 1c: Costs and Benefits under Alternative Approach(es)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As the guidelines are incorrect, there is no alternative other than to correct the guidelines.</p> <p>Indirect Costs: As the guidelines are incorrect, there is no alternative other than to correct the guidelines.</p> <p>Direct Benefits: As the guidelines are incorrect, there is no alternative other than to correct the guidelines.</p> <p>Indirect Benefits: As the guidelines are incorrect, there is no alternative other than to correct the guidelines.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) As the guidelines are incorrect, there is no alternative other than to correct the guidelines.	(b) As the guidelines are incorrect, there is no alternative other than to correct the guidelines.
(3) Net Monetized Benefit	As the guidelines are incorrect, there is no alternative other than to correct the guidelines.	
(4) Other Costs & Benefits (Non-Monetized)	As the guidelines are incorrect, there is no alternative other than to correct the guidelines.	
(5) Information Sources	Not applicable.	

**Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 2: Impact on Local Partners**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As these updates will conform the guidelines to changes in the statutory law passed in 2023 and clarify the Department of Taxation’s existing processes, it will have no direct costs on local partners.</p> <p>Indirect Costs: As these updates will conform the guidelines to changes in the statutory law passed in 2023 and clarify the Department of Taxation’s existing processes, it will have no indirect costs on local partners.</p> <p>Direct Benefits: As these updates will conform the guidelines to current statutory law and processes, they may have direct benefits by eliminating</p>
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	<p>taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p> <p>Indirect Benefits: As these updates will conform the guidelines to current statutory law, they may have indirect benefits by eliminating taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) Unknown.
(3) Other Costs & Benefits (Non-Monetized)	Unknown.	
(4) Assistance		
(5) Information Sources	None.	

**Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As this update will conform the guidelines to current statutory law and processes, it will have no direct costs on families.</p> <p>Indirect Costs: As this update will conform the guidelines to current statutory law and processes, it will have no indirect costs on families.</p> <p>Direct Benefits: As this update will conform the guidelines to current statutory law and processes, it may have direct benefits by eliminating taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p> <p>Indirect Benefits: As this update will conform the guidelines to current statutory law and processes, it may have indirect benefits by eliminating taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) Unknown.
(3) Other Costs & Benefits (Non-Monetized)	Unknown.	
(4) Information Sources	None.	

**Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 4: Impact on Small Businesses**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As this update will conform the guidelines to current statutory law and processes, it will have no direct costs on small businesses.</p> <p>Indirect Costs: As this update will conform the guidelines to current statutory law and processes, it will have no direct costs on small businesses.</p> <p>Direct Benefits: As this update will conform the guidelines to current statutory law and processes, it may have direct benefits by eliminating taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p> <p>Indirect Benefits: As this update will conform the guidelines to current statutory law and processes, it may have indirect benefits by eliminating taxpayer confusion. The Department of Taxation is unable to quantify these benefits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None.	(b) Unknown.

(3) Other Costs & Benefits (Non-Monetized)	Unknown.
(4) Alternatives	As the current guidelines are incorrect due to law changes, there is no alternative other than correcting the guidelines.
(5) Information Sources	None.

**Changes to Number of Regulatory Requirements**

**Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements N/A*

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Net Change
N/A	<b>Statutory:</b>				
	<b>Discretionary:</b>				
				<b>Total Net Change of Statutory Requirements:</b>	
				<b>Total Net Change of Discretionary Requirements:</b>	

*Cost Reductions or Increases (if applicable) N/A*

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				
N/A				

*Other Decreases or Increases in Regulatory Stringency (if applicable) N/A*

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A		
N/A		

*Length of Guidance Documents (only applicable if guidance document is being revised) N/A*

Title of Guidance Document	Original Length	New Length	Net Change in Length
Food Donation Tax Credit Guidelines	8	9	1

\*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).