



Exempt Action Final Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation	22VAC40-41
Regulation title	Neighborhood Assistance Tax Credit Program
Action title	Amend NAP Regulation to Comply with 2012 Legislation
Final agency action date	August 16, 2012
Document preparation date	August 16, 2012

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

Several changes are necessary to conform the regulation to legislation passed by the General Assembly. Senate Bill 131 (Chapter 731 of the 2012 Acts of Assembly): 1) removed the definition of impoverished people; 2) added a definition for a low-income person; 3) added a definition for an eligible student with a disability; 4) increased the tax credit from 40 to 65 percent of the donation value; and 5) removed the \$500,000 allocation limit that an approved organization can receive, if there are remaining credits after the initial allocation.

Senate Bill 680 (Chapter 837 of the 2012 Acts of Assembly) changed the requirement of low-income persons served from 50 to 40 percent and includes eligible students with disabilities.

House Bill 368 (Chapter 596 of the 2012 Acts of Assembly) allows a mediator to receive tax credits for providing services at the direction of an approved NAP organization regardless of where the service is delivered.

Senate Bill 700 passed by the General Assembly in 2008 (Chapter 463 of the 2008 Acts of Assembly) added marketable securities as a qualifying type of donation from an individual donor.

The Neighborhood Assistance Act Tax Credit Program (NAP) is a state tax credit program that was established by the General Assembly in 1981. NAP uses tax credits as an incentive for businesses, trusts, and, with certain restrictions, individuals, to make donations to eligible non-profit organizations.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

The State Board of Social Services took final action on 22VAC40-41, Neighborhood Assistance Tax Credit Program, on August 16, 2012.

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

The regulation has no direct impact on families and family stability. It impacts nonprofit organizations and their donors. Services provided by these nonprofit organizations have a positive impact on the institution of the family and family stability.