



Economic Impact Analysis Virginia Department of Planning and Budget

23 VAC 10-110-150, 160-167, 200 – Individual Income Tax Regulations
Department of Taxation
August 11, 2006

Summary of the Proposed Amendments to Regulation

The Department of Taxation (TAX) proposes to repeal sections regarding Excess Cost Recovery (23 VAC 10-110-150,160-167) and Retirement Income Tax Credit (23 VAC 10-110-200) in the existing Individual Income Tax Regulations (23 VAC 10-110). These sections have been made obsolete by changes in the statutes.

Result of Analysis

The proposed repeal is not likely to have any significant impact.

Estimated Economic Impact

The Department of Taxation proposes to repeal outdated regulations on Excess Cost Recovery (23 VAC 10-110-150,160-167) in the existing Individual Income Tax Regulations. Section 23 VAC 10-110-150 was made obsolete because the corresponding Code Section (58.1-323) was repealed by the 1987 Acts of General Assembly. Sections 23 VAC 10-110-160 through 167 have been outdated after the 2000 Acts of General Assembly repealed Code Section 58.1-323.1 on the cessation of the Excess Cost Recovery Program.

Regulations on Retirement Income Tax Credit (23 VAC 10-110-200) will be repealed due to the repeal of the corresponding Code Section (58.1-330) by the 1990 Acts of General Assembly.

Repeal of these outdated regulations does not reflect a change in existing TAX policy and will likely not have any significant impact.

Businesses and Entities Affected

The proposed repeal of these regulations will not significantly affect businesses and entities.

Localities Particularly Affected

No localities are particularly affected.

Projected Impact on Employment

The proposed repeal of these regulations will not affect employment.

Effects on the Use and Value of Private Property

The proposed repeal of these regulations will not significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed repeal of these regulations will not significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed repeal of these regulations will not significantly affect small businesses.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a

statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.