



COMMONWEALTH of VIRGINIA

Office of the Attorney General
Richmond 23219

Mark R. Herring
Attorney General

202 North 9th Street
Richmond, Virginia 23219
804 - 786 - 2071
804 - 225 - 4541 TDD

MEMORANDUM

To: Matthew Huntley, Lead Tax Policy Analyst
Virginia Department of Taxation

From: Flora T. Hezel
Assistant Attorney General

Date: November 7, 2017

Subject: Letter of Assurance for Regulations for Subtraction of Income Attributable to an Investment in a Virginia Venture Capital Account

I have reviewed the Department of Taxation's proposed 23 VAC 10-110-145 and 23 VAC 10-120-103, the regulations applicable to the subtraction for income attributable to an investment in a Virginia Capital Account, that were posted on the Virginia Regulatory Town Hall internet site on November 1, 2017. In my view, as counsel to the Department of Taxation, the Department may issue regulations pursuant to § 58.1-203 of the *Code of Virginia*. Further, Chapter 762 of the 2017 Acts of Assembly mandates the promulgation of these regulations prior to December 31, 2017. The promulgation of these regulations does not appear to conflict with the Constitution of the United States, the Constitution of the Commonwealth of Virginia, or any applicable laws of this Commonwealth of the United States currently in effect.

This memorandum addresses legal matters only and is not intended to serve, nor should it be construed, as a comment for or against the merits of the proposed regulations.