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HOUSE BILL NO. 2400

Offered January 8, 2003

Prefiled January 8, 2003

A BILL to amend and reenact §§ 58.1-322 and 58.1-402 of the Code of Virginia, relating to Virginia taxable income; subtraction for Peanut Quota Buyout Program payments.

Patrons—Ingram, Almand, Barlow, Bland, Bloxom, Byron, Councill, Hull, Johnson, Lingamfelter, Nutter, Purkey, Suit and Wright; Senators: Blevins, Hawkins, Houck, Puckett, Ruff, Stolle and Trumbo

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-322 and 58.1-402 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-322. Virginia taxable income of residents.

A. The Virginia taxable income of a resident individual means his federal adjusted gross income for the taxable year, which excludes combat pay for certain members of the Armed Forces of the United States as provided in § 112 of the Internal Revenue Code, as amended, and with the modifications specified in this section.

B. To the extent excluded from federal adjusted gross income, there shall be added:

1. Interest, less related expenses to the extent not deducted in determining federal income, on obligations of any state other than Virginia, or of a political subdivision of any such other state unless created by compact or agreement to which Virginia is a party;

2. Interest or dividends, less related expenses to the extent not deducted in determining federal taxable income, on obligations or securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal income tax but not from state income taxes;

3. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

4. The amount of a lump sum distribution from a qualified retirement plan, less the minimum distribution allowance and any amount excludable for federal income tax purposes which is excluded from federal adjusted gross income solely by virtue of an individual's election to use the averaging provisions under § 402 of the Internal Revenue Code;

5. through 7. [Repealed.]

8. For taxable years beginning on and after January 1, 1990, and before January 1, 1994, any amount of self-employment tax deduction under § 164 (f) of the Internal Revenue Code; and

9. The amount required to be included in income for the purpose of computing the partial tax on an accumulation distribution pursuant to § 667 of the Internal Revenue Code.

C. To the extent included in federal adjusted gross income, there shall be subtracted:

1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States including, but not limited to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

2. Income derived from obligations, or on the sale or exchange of obligations of this Commonwealth or of any political subdivision or instrumentality of this Commonwealth.

3. [Repealed.]

4. Benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code.

4a. Through December 31, 2000, the same amount used in computing the federal credit allowed under § 22 of the Internal Revenue Code by a retiree under age sixty-five who qualified for such retirement on the basis of permanent and total disability and who is a qualified individual as defined in § 22 (b) (2) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of subsection D of this section may not also claim a subtraction under this subdivision.

4b. For taxable years beginning on or after January 1, 2001, up to \$20,000 of disability income, as defined in § 22 (c) (2) (B) (iii) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of subsection D of this section may not also claim a subtraction under this subdivision.

5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

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57 6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit which was not  
58 deducted for federal purposes on account of the provisions of § 280C (a) of the Internal Revenue Code.

59 7. Any amount included therein which is foreign source income as defined in § 58.1-302.

60 8. [Repealed.]

61 9. [Expired.]

62 10. Any amount included therein less than \$600 from a prize awarded by the State Lottery  
63 Department.

64 11. The wages or salaries received by any person for active and inactive service in the National  
65 Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from thirty-nine  
66 calendar days of such service or \$3,000, whichever amount is less; however, only those persons in the  
67 ranks of O3 and below shall be entitled to the deductions specified herein.

68 12. Amounts received by an individual, not to exceed \$1,000 in any taxable year, as a reward for  
69 information provided to a law-enforcement official or agency, or to a nonprofit corporation created  
70 exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of  
71 perpetrators of crimes. This provision shall not apply to the following: an individual who is an employee  
72 of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which  
73 the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

74 13. [Repealed.]

75 14. (Expires for taxable years beginning on and after January 1, 2004.) The amount of any qualified  
76 agricultural contribution as determined in § 58.1-322.2.

77 15. [Repealed.]

78 16. The amounts of self-employment tax required to be added in computing Virginia taxable income  
79 for taxable years beginning on and after January 1, 1990, but before January 1, 1994, pursuant to  
80 subdivision B 8 of this section, as follows:

81 a. For taxable years beginning on and after January 1, 1994, and before January 1, 1995, the amount  
82 of self-employment tax added to federal adjusted gross income in taxable years beginning on and after  
83 January 1, 1990, and before January 1, 1991;

84 b. For taxable years beginning on and after January 1, 1995, and before January 1, 1996, the amount  
85 of self-employment tax added to federal adjusted gross income in taxable years beginning on and after  
86 January 1, 1991, and before January 1, 1992;

87 c. For taxable years beginning on and after January 1, 1996, and before January 1, 1997, the amount  
88 of self-employment tax added to federal adjusted gross income in taxable years beginning on and after  
89 January 1, 1992, and before January 1, 1993;

90 d. For taxable years beginning on and after January 1, 1997, and before January 1, 1998, the amount  
91 of self-employment tax added to federal adjusted gross income in taxable years beginning on and after  
92 January 1, 1993, and before January 1, 1994, and any amount of self-employment tax required to be  
93 added back for taxable years beginning on and after January 1, 1990, and before January 1, 1994, which  
94 was not subtracted in those taxable years.

95 17. For taxable years beginning on and after January 1, 1995, the amount of "qualified research  
96 expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not  
97 deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code and which shall be  
98 available to partners, shareholders of S corporations, and members of limited liability companies to the  
99 extent and in the same manner as other deductions may pass through to such partners, shareholders, and  
100 members.

101 18. For taxable years beginning on or after January 1, 1995, all military pay and allowances, not  
102 otherwise subtracted under this subsection, earned for any month during any part of which such member  
103 performed military service in any part of the former Yugoslavia, including the air space above such  
104 location or any waters subject to related naval operations, in support of Operation JOINT ENDEAVOR  
105 as part of the NATO Peace Keeping Force. Such subtraction shall be available until the taxpayer  
106 completes such service.

107 19. For taxable years beginning on and after January 1, 1996, any income received during the taxable  
108 year derived from a qualified pension, profit-sharing, or stock bonus plan as described by § 401 of the  
109 Internal Revenue Code, an individual retirement account or annuity established under § 408 of the  
110 Internal Revenue Code, a deferred compensation plan as defined by § 457 of the Internal Revenue Code,  
111 or any federal government retirement program, the contributions to which were deductible from the  
112 taxpayer's federal adjusted gross income, but only to the extent the contributions to such plan or  
113 program were subject to taxation under the income tax in another state.

114 20. For taxable years beginning on and after January 1, 1997, any income attributable to a  
115 distribution of benefits or a refund from a prepaid tuition contract or savings trust account with the  
116 Virginia College Savings Plan, created pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23. The  
117 subtraction for any income attributable to a refund shall be limited to income attributable to a refund in  
118 the event of a beneficiary's death, disability, or receipt of a scholarship.

119 21. For taxable years beginning on or after January 1, 1998, all military pay and allowances, to the  
 120 extent included in federal adjusted gross income and not otherwise subtracted, deducted or exempted  
 121 under this section, earned by military personnel while serving by order of the President of the United  
 122 States with the consent of Congress in a combat zone or qualified hazardous duty area which is treated  
 123 as a combat zone for federal tax purposes pursuant to § 112 of the Internal Revenue Code.

124 22. For taxable years beginning on or after January 1, 2000, the gain derived from the sale or  
 125 exchange of real property or the sale or exchange of an easement to real property which results in the  
 126 real property or the easement thereto being devoted to open-space use, as that term is defined in  
 127 § 58.1-3230, for a period of time not less than thirty years. To the extent a subtraction is taken in  
 128 accordance with this subdivision, no tax credit under this chapter for donating land for its preservation  
 129 shall be allowed for three years following the year in which the subtraction is taken.

130 23. Effective for all taxable years beginning on or after January 1, 2000, \$15,000 of military basic  
 131 pay for military service personnel on extended active duty for periods in excess of ninety days; however,  
 132 the subtraction amount shall be reduced dollar-for-dollar by the amount which the taxpayer's military  
 133 basic pay exceeds \$15,000 and shall be reduced to zero if such military basic pay amount is equal to or  
 134 exceeds \$30,000.

135 24. Effective for all taxable years beginning on and after January 1, 2000, the first \$15,000 of salary  
 136 for each federal and state employee whose annual salary is \$15,000 or less.

137 25. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

138 26. For taxable years beginning on and after January 1, 2001, any amount received as military  
 139 retirement income by an individual awarded the Congressional Medal of Honor.

140 27. Effective for all taxable years beginning on and after January 1, 1999, income received as a  
 141 result of (i) the "Master Settlement Agreement," as defined in § 3.1-1106; (ii) the National Tobacco  
 142 Grower Settlement Trust dated July 19, 1999; and (iii) the Tobacco Loss Assistance Program, pursuant  
 143 to 7 C.F.R. Part 1464 (Subpart C, §§ 1464.201 through 1464.205), by (a) tobacco farmers; (b) any  
 144 person holding a tobacco marketing quota, or tobacco farm acreage allotment, under the Agricultural  
 145 Adjustment Act of 1938; or (c) any person having the right to grow tobacco pursuant to such a quota or  
 146 allotment, but only to the extent that such income has not been subtracted pursuant to subdivision C 18  
 147 of § 58.1-402.

148 28. For taxable years beginning on and after January 1, 2000, items of income attributable to,  
 149 derived from or in any way related to (i) assets stolen from, hidden from or otherwise lost by an  
 150 individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other  
 151 consideration received by a victim or target of Nazi persecution to compensate such individual for  
 152 performing labor against his will under the threat of death, during World War II and its prelude and  
 153 direct aftermath. This subtraction shall not apply to assets acquired with such items of income or with  
 154 the proceeds from the sale of assets stolen from, hidden from or otherwise lost to, during World War II  
 155 and its prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this  
 156 subdivision shall only apply to an individual who was the first recipient of such items of income and  
 157 who was a victim or target of Nazi persecution, or a spouse, widow, widower, or child or stepchild of  
 158 such victim.

159 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by  
 160 the Nazi regime who had assets stolen from, hidden from or otherwise lost as a result of any act or  
 161 omission in any way relating to (i) the Holocaust; (ii) World War II and its prelude and direct  
 162 aftermath; (iii) transactions with or actions of the Nazi regime; (iv) treatment of refugees fleeing Nazi  
 163 persecution; or (v) the holding of such assets by entities or persons in the Swiss Confederation during  
 164 World War II and its prelude and aftermath. A victim or target of Nazi persecution shall also include  
 165 any individual forced into labor against his will, under the threat of death, during World War II and its  
 166 prelude and direct aftermath. As used in this subdivision, "Nazi regime" means the country of Nazi  
 167 Germany, areas occupied by Nazi Germany, those European countries allied with Nazi Germany, or any  
 168 other neutral European country or area in Europe under the influence or threat of Nazi invasion.

169 29. *For taxable years beginning on and after January 1, 2002, income received as a result of the*  
 170 *Peanut Quota Buyout Program of the Farm Security And Rural Investment Act of 2002 pursuant to 7*  
 171 *C.F.R. Part 1412 (Subpart A, §§ 1412.1 through 1412.11b).*

172 D. In computing Virginia taxable income there shall be deducted from federal adjusted gross income:

173 1. a. The amount allowable for itemized deductions for federal income tax purposes where the  
 174 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the  
 175 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted  
 176 on such federal return and increased by an amount which, when added to the amount deducted under  
 177 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for  
 178 such purposes at a rate of eighteen cents per mile; or

179 b. Two thousand dollars for taxable years beginning January 1, 1987, through December 31, 1987;

180 \$2,700 for taxable years beginning January 1, 1988, through December 31, 1988; and \$5,000 for  
181 married persons (one-half of such amounts in the case of a married individual filing a separate return);  
182 and \$3,000 for single individuals for taxable years beginning on and after January 1, 1989; provided that  
183 the taxpayer has not itemized deductions for the taxable year on his federal income tax return. For  
184 purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for  
185 the taxable year may compute the deduction only with respect to earned income.

186 2. a. A deduction in the amount of \$700 for taxable years beginning January 1, 1987, through  
187 December 31, 1987, and \$800 for taxable years beginning on and after January 1, 1988, for each  
188 personal exemption allowable to the taxpayer for federal income tax purposes. For taxable years  
189 beginning on and after January 1, 1987, each blind or aged taxpayer as defined under § 63 (f) of the  
190 Internal Revenue Code shall be entitled to an additional personal exemption.

191 b. An additional deduction of \$200 for taxable years beginning January 1, 1987, through December  
192 31, 1987, for each blind or aged taxpayer as defined under § 63 (f) of the Internal Revenue Code. The  
193 additional deduction for blind or aged taxpayers allowed under this subdivision and the additional  
194 personal exemption allowed to blind or aged taxpayers under subdivision 2 a of this subsection shall be  
195 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income  
196 tax purposes.

197 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is  
198 based under § 21 of the Internal Revenue Code for expenses for household and dependent care services  
199 necessary for gainful employment.

200 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under  
201 permanent foster care placement as defined in § 63.2-908, provided the taxpayer can also claim the child  
202 as a personal exemption under § 151 of the Internal Revenue Code.

203 5. Effective for all taxable years beginning on or after January 1, 1996, a deduction in the amount of  
204 \$12,000 for taxpayers age sixty-five or older, or \$6,000 for taxpayers age sixty-two through sixty-four.

205 6. For taxable years beginning on and after January 1, 1997, the amount an individual pays as a fee  
206 for an initial screening to become a possible bone marrow donor, if (i) the individual is not reimbursed  
207 for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal  
208 income tax return.

209 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
210 during the taxable year for a prepaid tuition contract or savings trust account entered into with the  
211 Virginia College Savings Plan, pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23. Except as  
212 provided in subdivision 7 c, the amount deducted on any individual income tax return in any taxable  
213 year shall be limited to \$2,000 per prepaid tuition contract or savings trust account. No deduction shall  
214 be allowed pursuant to this section if such payments or contributions are deducted on the purchaser's or  
215 contributor's federal income tax return. If the purchase price or annual contribution to a savings trust  
216 account exceeds \$2,000, the remainder may be carried forward and subtracted in future taxable years  
217 until the purchase price or savings trust contribution has been fully deducted; however, except as  
218 provided in subdivision 7 c, in no event shall the amount deducted in any taxable year exceed \$2,000  
219 per contract or savings trust account. Notwithstanding the statute of limitations on assessments contained  
220 in § 58.1-312, any deduction taken hereunder shall be subject to recapture in the taxable year or years in  
221 which distributions or refunds are made for any reason other than (i) to pay qualified higher education  
222 expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death, disability, or  
223 receipt of a scholarship. For the purposes of this subdivision, the term "purchaser" or "contributor"  
224 means the person shown as such on the records of the Virginia College Savings Plan as of December 31  
225 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or savings trust  
226 account, the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition  
227 contract or savings trust account, including, but not limited to, carryover and recapture of deductions.

228 b. The amount paid for a prepaid tuition contract during taxable years beginning on or after January  
229 1, 1996, but before January 1, 1998, shall be deducted in taxable years beginning on or after January 1,  
230 1998, and shall be subject to the limitations set out in subdivision 7 a.

231 c. A purchaser of a prepaid tuition contract or contributor to a savings trust account who has attained  
232 age seventy shall not be subject to the limitation that the amount of the deduction not exceed \$2,000 per  
233 prepaid tuition contract or savings trust account in any taxable year. Such taxpayer shall be allowed a  
234 deduction for the full amount paid for the contract or contributed to a savings trust account, less any  
235 amounts previously deducted. If a prepaid tuition contract was purchased by such taxpayer during  
236 taxable years beginning on or after January 1, 1996, but before January 1, 1998, such taxpayer may take  
237 the deduction for the full amount paid during such years, less any amounts previously deducted with  
238 respect to such payments, in taxable year 1999 or by filing an amended return for taxable year 1998.

239 8. For taxable years beginning on and after January 1, 2000, the total amount an individual actually  
240 contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in  
241 Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided the individual has not claimed a deduction for

242 such amount on his federal income tax return.

243 9. For taxable years beginning on and after January 1, 1999, an amount equal to twenty percent of  
244 the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed  
245 pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses  
246 that are required as a condition of employment; however, the deduction provided by this subsection shall  
247 be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has  
248 not claimed a deduction for the payment of such tuition costs on his federal income tax return.

249 10. For taxable years beginning on and after January 1, 2000, the amount an individual pays  
250 annually in premiums for ~~long~~ long-term health care insurance, provided the individual has not claimed  
251 a deduction for federal income tax purposes.

252 E. There shall be added to or subtracted from federal adjusted gross income, as the case may be, the  
253 individual's share, as beneficiary of an estate or trust, of the Virginia fiduciary adjustment determined  
254 under § 58.1-361.

255 F. There shall be added or subtracted, as the case may be, the amounts provided in § 58.1-315 as  
256 transitional modifications.

257 § 58.1-402. Virginia taxable income.

258 A. For purposes of this article, Virginia taxable income for a taxable year means the federal taxable  
259 income and any other income taxable to the corporation under federal law for such year of a corporation  
260 adjusted as provided in subsections B, C and D.

261 For a regulated investment company and a real estate investment trust, such term means the  
262 "investment company taxable income" and "real estate investment trust taxable income," respectively, to  
263 which shall be added in each case any amount of capital gains and any other income taxable to the  
264 corporation under federal law which shall be further adjusted as provided in subsections B, C and D.

265 B. There shall be added to the extent excluded from federal taxable income:

266 1. Interest, less related expenses to the extent not deducted in determining federal taxable income, on  
267 obligations of any state other than Virginia, or of a political subdivision of any such other state unless  
268 created by compact or agreement to which the Commonwealth is a party;

269 2. Interest or dividends, less related expenses to the extent not deducted in determining federal  
270 taxable income, on obligations or securities of any authority, commission or instrumentality of the  
271 United States, which the laws of the United States exempt from federal income tax but not from state  
272 income taxes;

273 3. [Repealed.]

274 4. The amount of any net income taxes and other taxes, including franchise and excise taxes, which  
275 are based on, measured by, or computed with reference to net income, imposed by the Commonwealth  
276 or any other taxing jurisdiction, to the extent deducted in determining federal taxable income;

277 5. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

278 6. The amount of employee stock ownership credit carry-over deducted by the corporation in  
279 computing federal taxable income under § 404 (i) of the Internal Revenue Code;

280 7. The amount required to be included in income for the purpose of computing the partial tax on an  
281 accumulation distribution pursuant to § 667 of the Internal Revenue Code.

282 C. There shall be subtracted to the extent included in and not otherwise subtracted from federal  
283 taxable income:

284 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States  
285 and on obligations or securities of any authority, commission or instrumentality of the United States to  
286 the extent exempt from state income taxes under the laws of the United States including, but not limited  
287 to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes,  
288 interest on equipment purchase contracts, or interest on other normal business transactions.

289 2. Income derived from obligations, or on the sale or exchange of obligations of this Commonwealth  
290 or of any political subdivision or instrumentality of this Commonwealth.

291 3. Dividends upon stock in any domestic international sales corporation, as defined by § 992 of the  
292 Internal Revenue Code, fifty percent or more of the income of which was assessable for the preceding  
293 year, or the last year in which such corporation has income, under the provisions of the income tax laws  
294 of the Commonwealth.

295 4. The amount of any refund or credit for overpayment of income taxes imposed by this  
296 Commonwealth or any other taxing jurisdiction.

297 5. Any amount included therein by the operation of the provisions of § 78 of the Internal Revenue  
298 Code (foreign dividend gross-up).

299 6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit which was not  
300 deducted for federal purposes on account of the provisions of § 280C (a) of the Internal Revenue Code.

301 7. Any amount included therein by the operation of § 951 of the Internal Revenue Code (subpart F  
302 income).

- 303 8. Any amount included therein which is foreign source income as defined in § 58.1-302.  
304 9. [Repealed.]  
305 10. The amount of any dividends received from corporations in which the taxpaying corporation  
306 owns fifty percent or more of the voting stock.  
307 11. [Repealed.]  
308 12. [Expired.]  
309 13. (Expires for taxable years beginning on and after January 1, 2004.) The amount of any qualified  
310 agricultural contribution as determined in § 58.1-322.2.  
311 14. For taxable years beginning on or after January 1, 1995, the amount for "qualified research  
312 expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not  
313 deducted, on account of the provisions of § 280C (c) of the Internal Revenue Code.  
314 15. For taxable years beginning on or after January 1, 2000, the total amount actually contributed in  
315 funds to the Virginia Public School Construction Grants Program and Fund established in Chapter 11.1  
316 (§ 22.1-175.1 et seq.) of Title 22.1.  
317 16. For taxable years beginning on or after January 1, 2000, the gain derived from the sale or  
318 exchange of real property or the sale or exchange of an easement to real property which results in the  
319 real property or the easement thereto being devoted to open-space use, as that term is defined in  
320 § 58.1-3230, for a period of time not less than thirty years. To the extent a subtraction is taken in  
321 accordance with this subdivision, no tax credit under this chapter for donating land for its preservation  
322 shall be allowed for three years following the year in which the subtraction is taken.  
323 17. For taxable years beginning on and after January 1, 2001, any amount included therein with  
324 respect to § 58.1-440.1.  
325 18. For taxable years beginning on and after January 1, 1999, income received as a result of (i) the  
326 "Master Settlement Agreement," as defined in § 3.1-1106; (ii) the National Tobacco Grower Settlement  
327 Trust dated July 19, 1999; and (iii) the Tobacco Loss Assistance Program, pursuant to 7 C.F.R. Part  
328 1464 (Subpart C, §§ 1464.201 through 1464.205), by (a) tobacco farming businesses; (b) any business  
329 holding a tobacco marketing quota, or tobacco farm acreage allotment, under the Agricultural  
330 Adjustment Act of 1938; or (c) any business having the right to grow tobacco pursuant to such a quota  
331 allotment.  
332 19. *For taxable years beginning on and after January 1, 2002, income received as a result of the*  
333 *Peanut Quota Buyout Program of the Farm Security And Rural Investment Act of 2002 pursuant to 7*  
334 *C.F.R. Part 1412 (Subpart A, §§ 1412.1 through 1412.11b).*  
335 D. Adjustments to federal taxable income shall be made to reflect the transitional modifications  
336 provided in § 58.1-315.  
337 **2. That an emergency exists and this act is in force from its passage.**