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Exempt Action Final Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation(s)	22VAC40-41
Regulation title(s)	Neighborhood Assistance Tax Credit Program
Action title	Amend NAP Regulation to Comply with Statute Regarding Excess Tax Credits
Final agency action date	
Date this document prepared	April 19, 2017

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) or an agency's basic statute, the agency is not required, however, 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 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

Amending this regulation is necessary to conform the Neighborhood Assistance Program (NAP) to legislation passed by the General Assembly in 2017. Chapter 147 of the Acts of Assembly (House Bill 1433) amends § 58.1-439 (B) (4) to require that at least 10 percent of the available amount of tax credits be allocated to qualified organizations not receiving allocations in the preceding year. If the amount of requested tax credits for qualified organizations is less than 10 percent of the available amount, the unallocated portion of such 10 percent must be allocated to other qualified organizations. An enactment clause made the legislation effective upon passage, which was February 23, 2017.

The NAP is a state tax credit program, 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 nonprofit organizations whose primary function is providing services to low-income persons or an eligible student with a disability.

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.

TBD

Family impact

Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The regulation action has no direct impact on families and family stability. Exempt changes made to 22VAC40-41 impact NAP-approved nonprofit organizations and their donors. Services provided by these nonprofit organizations have a positive impact on the families and support family stability.