

Income/Franchise:

Virginia: Legislative Summary Addresses Recent Law Changes that Pause Rolling Conformity with Internal Revenue Code

2025 Legislative Summary, Vir. Dept. of Tax. (6/10/25). The Virginia Department of Taxation (Department) posted a summary of recently enacted state tax law changes, including budget legislation revising Virginia law that generally updates state corporate and individual income tax statutory references to federal income tax law as it exists as soon as any federal tax law changes are enacted [see H.B. 1600, signed by gov. 5/2/25, and *State Tax Matters*, Issue 2025-19, for more details on this budget legislation]. Specifically, the Department explains that pursuant to this enacted budget legislation, Virginia will *not* automatically conform to any amendment to the Internal Revenue Code enacted on or after January 1, 2025, but before January 1, 2027, “with a projected revenue impact that would increase or decrease General Fund revenues by any amount in the fiscal year in which the amendment was enacted or any of the succeeding four fiscal years.” However, the Department explains that Virginia will continue to “conform to any federal tax changes that the General Assembly subsequently adopts and to any federal tax extenders.” Please contact us with any questions.

URL: <https://www.tax.virginia.gov/sites/default/files/inline-files/2025-legislative-summary.pdf>

URL: <https://lis.virginia.gov/bill-details/20251/HB1600>

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250516_4.html

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