Discharge of student loans. A subtraction is allowed for income attributable to the discharge of a student loan due to the student’s death (55).

Venture Capital Investment. A subtraction is allowed for taxable years beginning on or after January 1, 2018, for income attributable to Virginia venture capital investment made during 2018–2023 (56).

Real estate investment trust (REIT). A subtraction may be claimed for income attributable to an investment in a Virginia REIT made during 2019–2024 (57).

Gain from eminent domain. A subtraction is allowed for any gain recognized from the taking of real property by condemnation proceedings (58).

Federal partnership subtraction. Income related to a federal partnership audit must be subtracted from the owner’s income tax return to the extent income was previously reported on the original Virginia return. Enclose the partnership’s completed Form 502FED-1 (59).

Military benefits subtraction. For tax years beginning on and after January 1, 2022, up to $10,000 of certain military benefits received by an individual age 55 or older.

Other subtractions. Attach explanation to return (99).

Deductions and Exemptions
Itemized deductions or the standard deduction. Virginia requires taxpayers to use the same method used on the federal return. Couples filing separately must both use the same method.

<table>
<thead>
<tr>
<th>Virginia Standard Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Status</td>
</tr>
<tr>
<td>Single</td>
</tr>
<tr>
<td>MFJ</td>
</tr>
<tr>
<td>MFS</td>
</tr>
</tbody>
</table>

[^1] Contingent upon an annual revenue growth rate. If not achieved, the standard deduction will be $7,500 for single and MFS and $15,000 for MFJ. See www.tax.virginia.gov for final amounts.

Dependent on another person’s return. The standard deduction is limited to the smaller of (1) earned income or (2) the allowable standard deduction.

Virginia itemized deductions. If itemized deductions were claimed on the federal Schedule A, the taxpayer must itemize on the Virginia return. Taxpayers claiming itemized deductions are required to complete Virginia Schedule A.

Exemptions:
- $930 per person for the taxpayer and spouse.
- $800 per person if blind.
- $800 per person if age 65 or older on or before January 1, 2023.
- $930 per dependent. Generally, this is the same number claimed on the federal return.

For couples filing separately, each spouse must determine exemptions as if filing separate federal returns using federal rules for separate reporting. If the number of dependent exemptions cannot be accounted for separately, they must be proportionately allocated between each spouse based on each spouse’s income.

The age 65 or older and blind exemptions may not be claimed if the taxpayer is claiming the credit for low-income individuals.

Deductions From Income
The following deductions are reported on Schedule ADJ. Enter the code number (in parentheses) for each of the following deductions. If the taxpayer has more than three deductions, enter the additional items on Schedule ADJS, and enter the total of all deductions on Schedule ADJ, line 9 and fill in the oval at the bottom of the form.

Child and dependent care deduction. Virginia allows a deduction for the amount of expenses on which the federal credit for child and dependent care is based (101).

Foster care deduction of $1,000 for each child residing in the taxpayer’s home under permanent foster care who is claimed as a dependent on federal and Virginia returns (102).

Bone marrow screening fee if not reimbursed or if no deduction was claimed for the fee on the federal return (103).

Virginia college savings plan prepaid tuition contract payments and savings account contributions. The deduction is limited to the lesser of $4,000 or the amount contributed to each Virginia529 account. Amounts more than $4,000 per account may be carried forward until fully deducted. Taxpayers age 70 or older may subtract the entire amount paid during the year (104).

Continuing education for licensed primary and secondary school teachers. The deduction is 20% of unreimbursed tuition costs incurred to attend continuing education courses required as a condition of employment, provided these expenses were not deducted from federal AGI (105).

Long-term health care premiums that were not included in federal itemized deductions (106).

Virginia public school construction grants program and fund contributions not claimed as a deduction on the federal return (107).

Tobacco quota buyout. A deduction is allowed for contract payments made in 2021 to a quota tobacco producer or holder as provided under the American Jobs Creation Act of 2004, if the amount was included in 2021 federal AGI. 2022 payments may be deductible in 2023 (108).

Sales tax on energy efficient appliances. 20% of the sales tax paid on the purchase of certain energy efficient appliances and equipment may be deducted, not to exceed $500 ($1,000 MFJ) for the year (109).

Unreimbursed organ and tissue donor expenses. The taxpayer may deduct up to $5,000 ($10,000 MFJ) of unreimbursed organ and tissue donor expenses not previously claimed as a medical deduction (110).

Charitable mileage deduction. Virginia allows 18¢ per mile charitable mileage deduction. Deduct the difference between Virginia and federal allowable amounts (111).

Bank franchise Subchapter S corporation. Certain shareholders of small businesses may deduct the income or add the loss received from the S corporation. Complete the following worksheet to determine the adjustment (112).

<table>
<thead>
<tr>
<th>Deduction for S Corporation Subject to Bank Franchise Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Allocable share of income or gain from the S corporation included in federal AGI .................................................. 1)</td>
</tr>
<tr>
<td>2) Allocable share of losses or deductions from the S corporation included in federal AGI .................................................. 2)</td>
</tr>
<tr>
<td>3) Value of distributions received from the S corporation not included in federal AGI .................................................. 3)</td>
</tr>
<tr>
<td>4) Add lines 2 and 3 ........................................................................................................................................ 4)</td>
</tr>
<tr>
<td>5) Line 1 – line 4 ........................................................................................................................................ 5)</td>
</tr>
</tbody>
</table>

Note: If line 5 is negative, this adjustment must be input on line 8a of Schedule ADJ, and the box marked “Loss” should be marked.

Income from dealer disposition of property. Federal law does not allow certain dealers to use the installment method. For