

Gov. Kaine's proposed changes to 2009-11 budget: WVLT quick take

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Today the governor released his proposed budget modifications for the next two years in light of the current state revenue shortfall. The governor is proposing a 5% reduction in funding for the Virginia Outdoors Foundation (VOF), WVLT's primary conservation partner. However, a large chunk of VOF's funding comes from a special allocation that has been added in the governor's veto session each year, which they may or may not get this year, as well as a percentage of state-wide real estate transfers, which may be down. Therefore, we need to wait to hear from VOF and DCR as to how VOF partner will be impacted.

Regarding the Land Preservation Tax Credit, the governor has proposed keeping it as is, except that credit owners may only use \$50,000 in any one year as opposed to the current limit of \$100,000. From the text of the governor's speech today:

In our review, my budget team and I also looked at revenue policies. Land preservation remains a top priority of my administration and we are well on the way toward my goal of permanently protecting 400,000 acres of land during my tenure. However, in these economic times, every program must be on the table. I propose to keep the annual total credit as is, but to make an adjustment in how much of the credit an individual taxpayer may claim in any tax year. By reducing the annual credit maximum for a taxpayer from

\$100,000 to \$50,000 we can save \$50 million. I will propose extending the period during which an individual can claim those credits.

Hopefully this reduction will allow the state to increase revenue while still keeping in place what has been a very effective and beneficial conservation program.

For the full text of the governor's speech, click here:

<http://www.governor.virginia.gov/MediaRelations/NewsReleases/viewRelease.cfm?id=8>

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For the budget reduction document, click here:

<http://dpb.virginia.gov/budget/buddoc09/pdf/partd/governorkaines20082010reductionplan.pdf>