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HOUSE BILL NO. 1135

Offered January 24, 2000

A BILL to amend and reenact §§ 58.1-433.1 and 58.1-2626.1 of the Code of Virginia, relating to the Virginia Coal Employment and Production Incentive Tax Credit.

Patron—Kilgore

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-433.1 and 58.1-2626.1 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-433.1. Virginia Coal Employment and Production Incentive Tax Credit.

For taxable years beginning on and after January 1, 2001, every electricity generator in the Commonwealth shall be allowed a three-dollar-per-ton credit against the tax imposed by § 58.1-400 or § 58.1-400.2 for each ton of coal purchased *and consumed* by such electricity generator, provided such coal was mined in Virginia as certified by such seller. Notwithstanding any other provision of law, no electricity generator shall be allowed more than a three-dollar-per-ton coal tax credit and shall be subject to all limitations set forth in § 58.1-400.2. In no event shall the credit allowed hereunder exceed the total amount of tax liability of such taxpayer. Any tax credit not usable for the taxable year may be carried over to the extent usable for the next five succeeding taxable years or until the full credit is utilized, whichever is sooner. For the purposes of the credit provided by this section, "electricity generator" means any person who produces electricity for self-consumption or for sale. However, a cogenerator, as defined in § 58.1-2600, shall not be allowed to claim the credit provided by this section and the credit provided by § 58.1-433 on the same ton of coal.

§ 58.1-2626.1. The Virginia Coal Employment and Production Incentive Tax Credit.

A. For the tax years beginning on and after January 1, 1988, every corporation in the Commonwealth doing the business of furnishing water, heat, light or power to the Commonwealth or its citizens, whether by means of electricity, gas or steam shall be allowed a credit against the tax imposed by § 58.1-2626 in the following amount: one dollar per ton for each ton of coal contracted for purchase *and consumed* by such corporation after July 1, 1986, provided such coal was mined in Virginia as certified by the producer of such coal. This credit shall be prorated equally against the corporation's estimated payments made in September and December and the final payment.

B. For tax years beginning on and after January 1, 1989, every corporation in the Commonwealth doing the business of furnishing water, heat, light or power to the Commonwealth or its citizens, whether by means of electricity, gas or steam shall be allowed additional credit against the tax imposed by § 58.1-2626 in the following amount: one dollar per ton for each ton of coal purchased *and consumed* by such corporation, provided such coal was mined in Virginia as certified by such seller. The credit shall be prorated equally against the corporation's estimated payments made in September and December and the final payment.

C. For tax years beginning on and after January 1, 1991, every corporation in the Commonwealth doing the business of furnishing water, heat, light or power to the Commonwealth or its citizens, whether by means of electricity, gas or steam, shall be allowed additional credit against the tax imposed by § 58.1-2626 in the following amount: one dollar per ton for each ton of coal purchased *and consumed* by such corporation, provided such coal was mined in Virginia as certified by such seller. The credit shall be prorated equally against the corporation's estimated payments made in September and December and the final payment.

2. That the provisions of this act amending § 58.1-433.1 shall be effective for taxable years beginning on and after January 1, 2001, and the provisions of this act amending § 58.1-2626.1 shall be effective for tax years beginning on and after January 1, 2001. These provisions shall not, however, be applicable to any contracts to purchase coal whose bid closing dates are before the introduction date of this bill.

INTRODUCED

HB1135