2000 SESSION

002180264 **HOUSE BILL NO. 400** 1 2 Offered January 13, 2000 3 A BILL to amend the Code of Virginia by adding respectively in Articles 3, 9, and 13 of Chapter 3 of 4 Title 58.1 sections numbered 58.1-339.8, 58.1-395, and 58.1-439.12, relating to tax credits. 5 6 Patrons-Bennett, Clement, Diamonstein, May, Plum and Purkey; Senators: Hawkins, Howell and Ticer 7 8 Referred to Committee on Finance 9 10 Be it enacted by the General Assembly of Virginia: 1. That the Code of Virginia is amended by adding respectively in Articles 3, 9, and 13 of Chapter 11 3 of Title 58.1 sections numbered 58.1-339.8, 58.1-395, and 58.1-439.12 as follows: 12 13 § 58.1-339.8. Investment in small technology business tax credit. 14 A. For taxable years beginning on and after January 1, 2000, any taxpayer who invests in a small 15 technology business, as defined in this section, shall be eligible for a credit against the tax imposed pursuant to Article 2 (§ 58.1-320 et seq.) of this chapter in an amount equal to twenty-five percent of 16 the total amount invested, not to exceed \$50,000 per taxpayer. Such a credit shall require application by 17 18 the taxpayer as provided in subsection C. B. For purposes of this section, a "small technology business " means a private business (i) whose 19 20 business purpose is to research and develop or commercialize information technology or biotechnology, 21 (ii) which employs ten or fewer full-time employees, and (iii) which is engaged in such business in the 22 Commonwealth. 23 C. A taxpayer eligible for a credit under this section shall apply for the credit by making application to the Department of Taxation. Each application shall be accompanied by a certification of eligibility by 24 25 the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner 26 shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), 27 relating to claiming a credit under this section. 28 § 58.1-395. Investment in small technology business tax credit. 29 A. For taxable years beginning on and after January 1, 2000, any taxpayer who invests in a small 30 technology business, as defined in this section, shall be eligible for a credit against the tax imposed pursuant to this article in an amount equal to twenty-five percent of the total amount invested, not to 31 32 exceed \$100,000 per taxpayer. Such a credit shall require application by the taxpayer as provided in 33 subsection C. 34 B. For purposes of this section, a "small technology business " means a private business (i) whose 35 business purpose is to research and develop or commercialize information technology or biotechnology, 36 (ii) which employs ten or fewer full-time employees, and which is engaged in such business in the 37 Commonwealth. 38 C. A taxpayer eligible for a credit under this section shall apply for the credit by making application 39 to the Department of Taxation. Each application shall be accompanied by a certification of eligibility by 40 the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner 41 shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), 42 relating to claiming a credit under this section. 43 § 58.1-439:12. Investment in small technology business tax credit. 44 A. For taxable years beginning on and after January 1, 2000, any taxpayer who invests in a small technology business, as defined in this section, shall be eligible for a credit against the tax imposed 45 pursuant to Article 10 (§ 58.1-400 et seq.) of this chapter in an amount equal to twenty-five percent of 46 47 the total amount invested, not to exceed \$100,000 per taxpayer. Such a credit shall require application **48** by the taxpayer as provided in subsection C. 49 B. For purposes of this section, a "small technology business " means a private business (i) whose 50 business purpose is to research and develop or commercialize information technology or biotechnology, 51 (ii) which employs ten or fewer full-time employees, and (iii) which is engaged in such business in the 52 Commonwealth. 53 C. A taxpayer eligible for a credit under this section shall apply for the credit by making application 54 to the Department of Taxation. Each application shall be accompanied by a certification of eligibility by the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner 55 shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), 56 relating to claiming a credit under this section. 57

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