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HOUSE BILL NO. 819

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance
on February 15, 2000)

(Patron Prior to Substitute—Delegate Scott)

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12, relating to employer-provided commuting benefits tax credit.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12 as follows:

§ 58.1-439.12. Employer-provided commuting benefits tax credits.

A. For taxable years beginning on and after January 1, 2001, any employer shall be allowed a credit against the taxes imposed by §§ 58.1-320 and 58.1-400 in an amount equal to fifty percent of the cost of eligible commuting expenses provided by such employer for his employees, subject to the limitations in subsection B. For purposes of this section, eligible commuting expenses are those costs that cover travel between an employee's residence and place of employment by means of multiple-seating vehicle transportation and mass-transit transportation. For purposes of this section, a "multiple-seating vehicle" means a vehicle that can carry eight or more passengers for which a fare is charged.

B. The maximum annual credit for commuting expenses shall not exceed the lesser of (i) \$30 per month for each employee, or (ii) the employer's tax liability for the tax year. Any unused credit shall not be refundable and shall not be carried over or back to a different tax year. In no event shall more than one million dollars in credits be allowed for any taxable year; however, if credits exceed one million dollars for a taxable year, they shall be allocated by the Department of Taxation on a pro rata basis.

**HOUSE
SUBSTITUTE**

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