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HOUSE BILL NO. 400

Offered January 13, 2000

A BILL to amend the Code of Virginia by adding respectively in Articles 3, 9, and 13 of Chapter 3 of Title 58.1 sections numbered 58.1-339.8, 58.1-395, and 58.1-439.12, relating to tax credits.

Patrons—Bennett, Clement, Diamonstein, May, Plum and Purkey; Senators: Hawkins, Howell and Ticer

Referred to Committee on Finance

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 3 of Title 58.1 sections numbered 58.1-339.8, 58.1-395, and 58.1-439.12 as follows:

§ 58.1-339.8. Investment in small technology business tax credit.

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 pursuant to Article 2 (§ 58.1-320 et seq.) of this chapter in an amount equal to twenty-five percent of the total amount invested, not to exceed \$50,000 per taxpayer. Such a credit shall require application by the taxpayer as provided in subsection C.

B. For purposes of this section, a "small technology business " means a private business (i) whose business purpose is to research and develop or commercialize information technology or biotechnology, (ii) which employs ten or fewer full-time employees, and (iii) which is engaged in such business in the Commonwealth.

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 the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), relating to claiming a credit under this section.

§ 58.1-395. Investment in small technology business tax credit.

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 pursuant to this article in an amount equal to twenty-five percent of the total amount invested, not to exceed \$100,000 per taxpayer. Such a credit shall require application by the taxpayer as provided in subsection C.

B. For purposes of this section, a "small technology business " means a private business (i) whose business purpose is to research and develop or commercialize information technology or biotechnology, (ii) which employs ten or fewer full-time employees, and which is engaged in such business in the Commonwealth.

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 the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), relating to claiming a credit under this section.

§ 58.1-439:12. Investment in small technology business tax credit.

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 pursuant to Article 10 (§ 58.1-400 et seq.) of this chapter in an amount equal to twenty-five percent of the total amount invested, not to exceed \$100,000 per taxpayer. Such a credit shall require application by the taxpayer as provided in subsection C.

B. For purposes of this section, a "small technology business " means a private business (i) whose business purpose is to research and develop or commercialize information technology or biotechnology, (ii) which employs ten or fewer full-time employees, and (iii) which is engaged in such business in the Commonwealth.

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 the Secretary of Technology or his designee. The Secretary of Technology and the Tax Commissioner shall promulgate regulations, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), relating to claiming a credit under this section.

INTRODUCED

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