

# VIRGINIA ACTS OF ASSEMBLY -- 2004 SESSION

## CHAPTER 699

*An Act to amend and reenact § 63.2-2002 of the Code of Virginia, relating to Neighborhood Assistance Act tax credit.*

[S 436]

Approved April 12, 2004

**Be it enacted by the General Assembly of Virginia:**

**1. That § 63.2-2002 of the Code of Virginia is amended and reenacted as follows:**

§ 63.2-2002. Proposals; regulations; tax credits authorized; amount for programs.

A. Any neighborhood organization may submit a proposal to the Commissioner requesting an allocation of tax credits for use by business firms making donations to the neighborhood organization. The proposal shall set forth the program to be conducted by the neighborhood organization, the impoverished people to be assisted, the estimated amount to be donated to the program and the plans for implementing the program.

B. The Board is hereby authorized to adopt regulations for the approval or disapproval of such proposals by neighborhood organizations and for determining the value of the donations. Such regulations shall contain a requirement that an annual audit be provided by the neighborhood organization as a prerequisite for approval. Such regulations shall provide for the equitable allocation of the available amount of tax credits among the approved proposals submitted by neighborhood organizations. The regulations shall also provide that at least ~~ten~~ 10 percent of the available amount of tax credits each year shall be allocated to qualified programs proposed by neighborhood organizations not receiving allocations in the preceding year; however, if the amount of tax credits for qualified programs requested by such neighborhood organizations is less than ~~ten~~ 10 percent of the available amount of tax credits, the unallocated portion of such ~~ten~~ 10 percent of the available amount of tax credits shall be allocated to qualified programs proposed by other neighborhood organizations.

C. If the Commissioner approves a proposal submitted by a neighborhood organization, the organization shall make the allocated tax credit amounts available to business firms making donations to the approved program. A neighborhood organization shall not assign or transfer an allocation of tax credits to another neighborhood organization without the approval of the Commissioner.

D. The total amount of tax credits granted for programs approved under this chapter for each fiscal year shall not exceed ~~eight~~ \$8 million ~~dollars~~; however, \$2,750,000 shall be allocated to education programs conducted by neighborhood organizations. Such allocation of tax credits to education programs shall constitute the minimum amount of tax credits to be allocated to education programs. However, if the amount of tax credits requested by neighborhood organizations for qualified education programs is less than \$2,750,000, the balance of such amount shall be allocated to other types of qualified programs. Tax credits shall not be authorized after fiscal year ~~2004~~ 2009.