

# 2004 SESSION

INTRODUCED

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## HOUSE BILL NO. 88

Offered January 14, 2004

Prefiled December 16, 2003

*A BILL to amend the Code of Virginia by adding in Article 10 of Chapter 3 of Title 58.1 a section numbered 58.1-422, relating to the Virginia Entrepreneurial Encouragement Program.*

Patrons—Purkey and Lingamfelter

Referred to Committee on Finance

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

**1. That the Code of Virginia is amended by adding in Article 10 of Chapter 3 of Title 58.1 a section numbered 58.1-422, as follows:**

*§ 58.1-422. Virginia Entrepreneurial Encouragement Program.*

*A. The Virginia Entrepreneurial Encouragement Program ("Program") is hereby created and shall provide tax incentives to start-up businesses in accordance with this section. For purposes of this section, "start-up business" means any corporation that (i) begins to do business for the first time on or after January 1, 2004, but no later than December 31, 2006, and (ii) is subject to the tax imposed by § 58.1-400.*

*B. Each start-up business shall be (i) exempt from the payment of the tax imposed by § 58.1-400 in the first two taxable years of its existence; and (ii) in its third year subject to the tax imposed by § 58.1-400 at one-half the corporate income tax rate in effect at that time. Beginning in its fourth year and each year thereafter such business shall be subject to the tax imposed by § 58.1-400 at the rate in effect at that time.*

*C. Each start-up business shall file an income tax return annually beginning in its first taxable year as if it owes the tax imposed by § 58.1-400. Such business shall also include legal documentation indicating the date it started to do business. In addition, the Department shall develop and distribute any additional forms necessary to collect information it needs in order to properly administer the Program.*

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