

068864496

HOUSE BILL NO. 1470

Offered January 19, 2006

A BILL to amend and reenact § 58.1-439.10 of the Code of Virginia, relating to tax credit for purchase of waste motor oil burning equipment or waste motor oil/fluids reclamation system.

 Patron—Saxman

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-439.10 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-439.10. Tax credit for purchase of waste motor oil burning equipment or waste motor oil/fluids reclamation system.

A. 1. For taxable years beginning on and after January 1, 1999, a taxpayer who operates a business facility within the Commonwealth which accepts waste motor oil from the public shall be allowed a credit against the taxes imposed pursuant to Articles 2 (§ 58.1-320 et seq.) and 10 (§ 58.1-400 et seq.) of this chapter in an amount equal to ~~forty percent~~ 50% of the purchase price paid during the taxable year for equipment used exclusively for burning waste motor oil at the business facility. ~~The total credit allowed to any taxpayer under this section in any taxable year shall not exceed \$5,000.~~

2. For taxable years beginning on and after January 1, 2007, a taxpayer who operates a business facility within the Commonwealth which accepts waste motor oil/fluids from the public shall be allowed a credit against the taxes imposed pursuant to Articles 2 (§ 58.1-320 et seq.) and 10 (§ 58.1-400 et seq.) of this chapter in an amount equal to 50% of the purchase price paid during the taxable year for waste motor oil/fluids reclamation systems used exclusively for reclaiming waste motor oil and fluids at the business facility.

~~The total credit allowed to any taxpayer under this section in any taxable year shall not exceed \$5,000 and shall in no event exceed the taxpayer's income tax liability for the year.~~

B. The Department of Environmental Quality shall certify that such equipment is used to burn waste motor oil ~~or reclaim waste motor oil/fluids~~ at a business facility within the Commonwealth which accepts ~~waste motor~~ such oil or fluids from the public before the taxpayer shall be entitled to the tax credit under this section. The taxpayer shall also submit with his income tax return such receipts, invoices, and other documentation as may be necessary to confirm the taxpayer's statement of the purchase price paid for the waste motor oil burning equipment ~~or reclamation system~~. Any tax credit under this section shall be used only for the taxable year in which the purchase price of the waste motor oil burning equipment ~~or reclamation system~~ was paid.

C. For purposes of this section, the amount of any credit attributable to the purchase of equipment used exclusively for burning ~~or reclaiming~~ waste motor oil ~~or fluids~~ by a partnership or electing small business corporation (S corporation) shall be allocated to the individual partners or shareholders in proportion to their ownership or interest in the partnership or S corporation.

INTRODUCED

HB1470