

2007 SESSION

INTRODUCED

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HOUSE BILL NO. 3044

Offered January 12, 2007

A BILL to amend and reenact § 58.1-439.7 of the Code of Virginia, relating to income tax credit for purchase of machinery and equipment for processing recyclable materials; extend sunset.

Patron—Bowling

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-439.7 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-439.7. Tax credit for purchase of machinery and equipment for processing recyclable materials.

A. For taxable years beginning on and after January 1, 1999, but before January 1, ~~2007~~ 2010, a corporation shall be allowed a credit against the tax imposed pursuant to § 58.1-400 in an amount equal to 10 percent of the purchase price paid during the taxable year for machinery and equipment used exclusively in or on the premises of manufacturing facilities or plant units which manufacture, process, compound, or produce items of tangible personal property from recyclable materials, within the Commonwealth, for sale. For purposes of determining "purchase price paid" under this section, the taxpayer may use the original total capitalized cost of such machinery and equipment, less capitalized interest. The Department of Environmental Quality shall certify that such machinery and equipment are integral to the recycling process before the corporation shall be entitled to the tax credit under this section. The corporation shall also submit purchase receipts, invoices, and such other documentation as may be necessary to confirm the taxpayer's statement of purchase price paid, with the income tax return to verify the amount of purchase price paid for the recycling machinery and equipment.

B. The total credit allowed under this section in any taxable year shall not exceed 40 percent of the Virginia income tax liability of such taxpayer.

C. Any tax credit not used for the taxable year in which the purchase price on recycling machinery and equipment was paid may be carried over for credit against the corporation's income taxes in the 10 succeeding taxable years until the total credit amount is used.

D. A taxpayer claiming the tax credit provided by § 58.1-439.8 shall not be eligible for the tax credit provided by this section.

2. That an emergency exists and this act is effective January 1, 2007.

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