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HOUSE BILL NO. 333

Offered January 9, 2008

Prefiled January 4, 2008

A *BILL to amend the Code of Virginia by adding sections numbered 36-99.3:1 and 58.1-439.12:02, relating to the installation of automatic sprinkler systems in certain buildings and a tax credit for the same.*

Patron—McClellan

Referred to Committee on Finance**Be it enacted by the General Assembly of Virginia:**

1. That the Code of Virginia is amended by adding sections numbered 36-99.3:1 and 58.1-439.12:02 as follows:

§ 36-99.3:1. *Automatic sprinkler systems in certain buildings.*

The Board of Housing and Community Development shall promulgate regulations establishing standards for automatic sprinkler systems throughout all public or private buildings that are (i) in use and not equipped with automatic sprinkler systems, (ii) more than 75 feet high or more than six stories high, and (iii) being used, in whole or in part, to house individuals or provide guest rooms for occupancy. Any such buildings shall be equipped with automatic sprinkler systems by December 31, 2017, regardless of when such buildings were constructed. Upon request of the owner of such building and for purposes of the tax credit under § 58.1-439.12:02, the local building official shall promptly inspect such installed automatic sprinkler system for compliance with the standards established pursuant to this section. If the local building official determines that the automatic sprinkler system is in compliance with such standards, the official shall as soon as practicable issue a written certification to the owner that certifies that the automatic sprinkler system is in compliance with such standards.

§ 58.1-439.12:02. *Credit for installation of automatic sprinkler systems.*

A. *For taxable years beginning on or after January 1, 2008, an owner of a public or private building that is (i) in use and not equipped with automatic sprinkler systems, (ii) more than 75 feet high or more than six stories high, and (iii) being used, in whole or in part, to house individuals or provide guest rooms for occupancy, 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 45% of the total amount paid by the owner for the initial installation of an automatic sprinkler system.*

B. *To be eligible for the tax credit, the owner shall have been issued a written certification from the local building official that such automatic sprinkler system that has been installed is in compliance with the standards for automatic sprinkler systems established pursuant to § 36-99.3:1. For the first taxable year for which the owner is claiming the credit, the owner shall attach such certification to his income tax return along with such receipts, invoices, and other documentation as may be necessary to confirm the total amount paid by the owner for the initial installation of such automatic sprinkler system.*

C. *Any credit not used for the taxable year in which the written certification from the local building official has been issued may be carried over for credit against the taxpayer's income taxes in the 10 succeeding taxable years. The amount of credit allowed pursuant to this section shall not exceed the tax imposed for the respective taxable year.*

D. *Credits earned by a partnership, limited liability company, or electing small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in proportion to their ownership or interest in such business entities.*

INTRODUCED

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