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HOUSE BILL NO. 2374

Offered January 14, 2009

Prefiled January 14, 2009

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:03, relating to renewable energy job creation income tax credit.

Patrons—Englin, Vanderhye, Ebbin, Eisenberg, Marsden and Ward

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 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:03 as follows:

§ 58.1-439.12:03. Renewable Energy Job creation tax credit.

A. For taxable years beginning on or after January 1, 2009, but before January 1, 2014, a corporation shall be eligible for a credit against the tax levied pursuant to § 58.1-320 or 58.1-400 for each new Renewable Energy Job that is created. The credit shall be allowed in the taxable year following the year in which the job has been filled for at least one year and in each of the two succeeding years in which the job is continually filled. The amount of the credit for each new Renewable Energy Job shall be (i) two percent of each annual salary that is less than \$50,000, and (ii) \$1,000 for each annual salary that is \$50,000 or more.

B. For purposes of this section, "Renewable Energy Job" means employment in industries relating to the field of renewable, alternative energies, including the manufacture and operation of products used to generate electricity and other forms of energy from alternative sources that include geothermal heating systems, solar heating systems, hydropower systems, and biomass and biofuel systems. The Secretary of Commerce and Trade shall develop a detailed definition and list of jobs that qualify for the credit provided in this section and shall post them on his website.

C. For purposes of this section, "job" means the full-time employment of an individual in Virginia by a corporation for at least 1,960 hours during the taxable year whose primary work activity is related directly to the field of renewable, alternative energies.

D. To qualify for the tax credit provided in subsection A, a corporation must demonstrate that a job was created and filled in the taxable year prior to the year for which the credit is claimed or was continued from the previous taxable year in which a credit was claimed.

E. In the case of a partnership or limited liability company, the credit shall be allocated to the corporate partners or corporate members in proportion to their ownership or interest in the partnership or limited liability company.

F. A corporation shall not be eligible for a tax credit pursuant to this section if such corporation is allowed a major business facility job tax credit pursuant to § 58.1-439.

INTRODUCED

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