

091904617

HOUSE JOINT RESOLUTION NO. 681

Offered January 14, 2009

Prefiled January 13, 2009

Directing the Joint Legislative Audit and Review Commission to study Virginia's corporate income tax system. Report.

Patron—Massie

Referred to Committee on Rules

WHEREAS, Virginia has had some form of corporate tax since the mid-1850s; and
WHEREAS, the corporate income tax in its current form evolved in the early 1900s; and
WHEREAS, many changes have occurred in the way the tax is calculated since that time, including additional deductions, exemptions, and tax credits; and

WHEREAS, changes in the economy not only in Virginia and throughout the United States but also around the world affect the way businesses operate; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission (JLARC) be directed to study the Commonwealth's corporate income tax system. The corporate income tax system has been in existence for more than 100 years and has not been examined in its entirety in at least the last 30 years, and many global changes have occurred affecting businesses and how they operate.

In conducting its study, JLARC shall examine all facets of the corporate income tax system and how it compares with other states' corporate income tax systems, especially those states similarly situated to Virginia economically and demographically. In particular, JLARC shall compare corporate income tax rates, revenues, exemptions, credits, and any other tax preferences afforded corporations. It shall also examine how many businesses have moved into and out of Virginia during the last 20 years and how many have expanded and minimized their operations in Virginia during the last 20 years and attempt to determine what impact the corporate income tax had on these actions.

Technical assistance shall be provided to JLARC by the Department of Taxation and the Virginia Economic Development Partnership. All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

JLARC shall complete its meetings for the first year by November 30, 2009, and for the second year by November 30, 2010, and the Director shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

INTRODUCED

HJ681