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## SENATE BILL NO. 1549

Offered February 5, 2009

A *BILL to amend the Code of Virginia by adding a section numbered 58.1-331.1, relating to an individual income tax credit for the purchase of certain motor vehicles.*

Patron—Stosch

Unanimous consent to introduce

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding a section numbered 58.1-331.1 as follows:**

*§ 58.1-331.1. Tax credit for purchase of certain motor vehicles.*

*A. For purposes of this section:*

*"Motor vehicle" means any motorcycle, passenger car, or pickup or panel truck (i) that is model year 2008 or later, and (ii) for which a certificate of title has not been issued prior to the time of purchase.*

*"Motorcycle" means the same as such term is defined in § 46.2-100.*

*"Passenger car" means the same as such term is defined in § 46.2-100.*

*"Pickup or panel truck" means the same as such term is defined in § 46.2-100.*

*"Sales price" means the total price paid for a motor vehicle and all attachments thereon and accessories thereto, as determined by the Commissioner, exclusive of any federal manufacturers' excise tax. Any allowance or deduction for trade-ins shall be included for purposes of determining the sales price.*

*B. For taxable years beginning on or after January 1, 2009, but before January 1, 2011, any individual who purchases a motor vehicle during the taxable year shall be allowed a credit against the tax imposed by Article 2 (§ 58.1-320 et seq.) of this chapter for such taxable year equal to 10 percent of the sales price paid for the motor vehicle. In no case, however, shall the credit allowed under this section exceed \$2,500 for the purchase of any motor vehicle.*

*C. The amount of the credit that may be claimed for any taxable year shall not exceed the lesser of (i) the individual's income tax liability for the taxable year, or (ii) \$500. Any credit not claimed for the taxable year of purchase may be carried over for credit against the individual income tax in the next seven taxable years until the total amount of the tax credit has been taken.*

*As a condition of claiming any tax credit pursuant to this section, the individual shall attach to the Virginia individual income tax return on which the credit is claimed such documents as may be required by the Tax Commissioner to provide evidence that the purchase of the motor vehicle qualifies for credit under this section.*

*D. The Tax Commissioner shall develop guidelines for purposes of implementing the provisions of the credit allowed under this section. The development of the guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).*

**2. That the provisions of this act shall not become effective unless (i) the American Recovery and Reinvestment Act of 2009 (H.R. 1, 111th Congress, 1st Session), or similar federal legislation, that makes supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and state and local fiscal stabilization is enacted into law prior to March 27, 2009, and (ii) such federal legislation allows for the tax credit under this act (and at least up to the anticipated negative fiscal impact on the revenues of the Commonwealth from the provisions of this act) to be a lawful use for such supplemental appropriations. Determinations as to whether the conditions under clauses (i) and (ii) have been met shall be made by the Secretary of Finance in writing to the Governor by no later than April 1, 2009.**

INTRODUCED

SB1549