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SENATE BILL NO. 845

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance on January 27, 2009)

(Patrons Prior to Substitute—Senators Puller and Whipple [SB 1148])

A BILL to amend and reenact § 58.1-339.7 of the Code of Virginia, relating to livable home tax credit.

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-339.7 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-339.7. Livable Home Tax Credit.

A. For taxable years beginning on and after January 1, 2000, any taxpayer who purchases a new residence or retrofits or hires someone to retrofit an existing residence, provided that such new residence or the retrofitting of such existing residence is designed to improve accessibility, provide universal visitability, and meets the eligibility requirements established by guidelines developed by the Department of Housing and Community Development, shall be allowed a credit against the tax imposed pursuant to § 58.1-320 of an amount equal to $500, *or $2,000 for taxable years beginning on or after January 1, 2010,* for such new residence or ~~twenty-five~~ *25* percent of the total amount spent for the retrofitting of such existing residence. *For taxable years beginning on or after January 1, 2010, the 25 percent shall increase to 50 percent.* The amount of the credit allowed for the retrofitting of an existing residence shall not exceed $500*, or $2,000 for taxable years beginning on or after January 1, 2010*. Such a credit shall require application by the taxpayer as provided in subsection C. For purposes of this section, the purchase of a new residence means a transaction involving the first sale of a residence or dwelling.

B. In no event, however, shall the credit allowed under subsection A exceed the total amount of tax imposed by this chapter in the year in which such purchase or retrofitting is completed. If the amount of the credit exceeds the taxpayer's tax liability for such tax year, the amount that exceeds such liability may be carried over for credit by the taxpayer in the next five taxable years until the total amount of the tax credit has been taken.

C. Eligible taxpayers shall apply for the credit by making application to the Department of Housing and Community Development. The Department of Housing and Community Development shall issue a certification for an approved application to the taxpayer. The taxpayer shall attach the certification to the individual income tax return. The total amount of tax credits granted under this section for any taxable year shall not exceed $1 million. In the event applications for the tax credit exceed the $1 million amount, the Department of Housing and Community Development shall apportion the money by dividing the $1 million by the total amount of tax credits applied for to determine the percentage each taxpayer shall receive.