

DEPARTMENT OF TAXATION 2010 Fiscal Impact Statement

1. **Patron** David L. Englin

2. **Bill Number** HB 355

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

3. **Committee** Passed by House and Senate

4. **Title** Corporate Tax Preference Report

Second House:

☐ **In Committee**

☐ **Substitute**

☒ **Enrolled**

5. **Summary/Purpose:**

This bill would combine the Department of Taxation's Annual Corporate Tax Preference Report and Major Business Facility Job Tax Credit Report. TAX would be required to post this combined report on its website by October 1 of each year and provide it to each member of the General Assembly. In addition to the current content of the report, this bill would require that TAX provide summary information regarding the types of taxpayers who claim corporate income tax relief, as well as information regarding the number of companies that have qualified for the major business facility job tax credit and the amount of such credits. Finally, this bill would eliminate the current requirement that every January 1, the Tax Commissioner submit a report to the chairmen of the House Appropriations, House Finance, and Senate Finance Committees providing information on the companies which have qualified for the major business facility job tax credit.

Under current law, the Tax Commissioner is directed to provide an annual Corporate Tax Preference Report. The Corporate Tax Preference Report must be submitted by October 1 of each year to the members of the House Appropriations Committee, the House Finance Committee, and the Senate Finance Committee.

The effective date of this bill is not specified.

6. **No Fiscal Impact**

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

Administrative Costs

TAX would incur no administrative costs in implementing this bill.

Revenue Impact

This bill would have no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

TAX

10. Technical amendment necessary: No.

11. Other comments:

Corporate Tax Preference Report

Senate Bill 867 (*Acts of Assembly 2005*, Chapter 216) directed the Tax Commissioner to issue an annual report detailing the amount of income tax relief granted to corporations in the Commonwealth. The report must include the total dollar amount of income tax subtractions, deductions, exclusions, exemptions and credits claimed cumulatively by corporations. The Tax Commissioner is required to issue the report on an annual basis to the members of the House Appropriations Committee, the House Finance Committee and the Senate Finance Committee. The report does not reflect all of the exemptions and exclusions available to corporations because not all of them are reported on the Virginia income tax return.

Major Business Facility Job Tax Credit Report

House Bill 305 (*Acts of Assembly 1996*, Chapter 874) directed the Tax Commissioner to submit a report to the chairmen of the House Appropriations, House Finance, and Senate Finance Committees every January 1 providing information on the companies that have qualified for the major business facility job tax credit, and the amount of such credits. The requirement was contained in the second enactment of this chapter.

Proposal

This bill would combine the Department of Taxation's Annual Corporate Tax Preference Report and Major Business Facility Job Tax Credit Report. TAX would be required to post this combined report on its website by October 1 of each year and provide it to each member of the General Assembly. In addition to the current content of the report, this bill would require that TAX provide summary information regarding the types of taxpayers who claim corporate income tax relief, as well as information regarding the number of companies that have qualified for the major business facility job tax credit and the amount of such credits. Finally, this bill would eliminate the current requirement that every January 1, the Tax Commissioner submit a report to the chairmen of the House Appropriations, House Finance, and Senate Finance Committees providing information on the companies which have qualified for the major business facility job tax credit.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 3/17/2010 KP
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