

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB252

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Reynolds

3. Committee: Counties, Cities, and Towns

4. Title: Manufacturing facility.

5. Summary: Expands the current definition of manufacturing facility to include (i) any facility which is used in the creation or production of intangible property as described in § 197(d)(1)(C)(iii) of the Internal Revenue Code of 1986, as amended, to be any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item, or (ii) a facility which is functionally related and subordinate to a manufacturing facility if such facility is located on the same site as the manufacturing facility. This definition is being expanded so that Virginia Code is consistent with the Federal American Recovery and Reinvestment Act of 2009, Section 1301. Also, the bill clarifies that the definition of manufacturing facility, as used in bill, is for bonding purposes under the chapter and does not apply to local taxation under Title 58.1.

6. Fiscal Impact Estimates preliminary. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The bill does not have a state fiscal impact. The overall federal per capita ceiling on private activity bonds would remain applicable. The bill will allow the state to qualify a broader category of manufacturing project for one class of private activity bond (industrial development bonds, or IDBs). The projects in question, dealing with the manufacture of intangible property, would only be eligible for bond issues made after the date of enactment for ARRA in 2009 through January 1, 2011.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: HB318 is a companion bill and is currently in the Senate Committee on Local Government.

Date: 2/8/2010 tmw

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