

# 2011 SESSION

INTRODUCED

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## HOUSE BILL NO. 1410

Offered January 12, 2011

Prefiled September 13, 2010

*A BILL to amend and reenact § 58.1-400 of the Code of Virginia, relating to the corporate income tax rate.*

Patrons—Bell, Richard P. and Peace

Referred to Committee on Finance

### **Be it enacted by the General Assembly of Virginia:**

#### **1. That § 58.1-400 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-400. Imposition of tax.

A. A tax at the rate of six percent is hereby annually imposed on the Virginia taxable income for each taxable year of every corporation organized under the laws of the Commonwealth and every foreign corporation having income from Virginia sources.

B. For taxable years beginning on and after January 1, 2012, the tax rate for a small business, as defined in § 2.2-904.1, shall be reduced by one-half of one percent in every year, not to exceed three years, that such business increases the number of its employees by a minimum of five percent over the number of employees in the immediately preceding year. The Department of Taxation shall determine what information the small business shall provide in order to receive the reduced tax rate.

2. That the Secretary of Finance and Secretary of Commerce and Trade shall determine how many employees are added each year to small businesses, as defined in § 2.2-904.1 of the Code of Virginia, through assistance from the Governor's Development Opportunity Fund for Economic Development.

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