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**HOUSE BILL NO. 2056**

Offered January 12, 2011

Prefiled January 11, 2011

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:06, relating to travel expenses reimbursement income tax credit.*

Patrons—Poindexter and Kilgore; Senator: Puckett

Referred to Committee on Finance

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

**1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:06 as follows:**

*§ 58.1-439.12:06. Travel expenses reimbursement tax credit.*

*A. As used in this section, unless the context requires a different meaning:*

*"Drilling, extracting, and processing" means the production, inspection, testing, dewatering, dehydration, or distillation of raw natural gas into a usable condition consistent with commercial practices and the gathering, transporting, pipeline construction, and right-of-way construction to allow raw natural gas to be transported to a facility wherein the gas is converted into such a usable condition.*

*"Natural gas" means gas, natural gas, and coalbed methane gas as defined in § 45.1-361.1.*

*B. For taxable years beginning on or after January 1, 2011, but before January 1, 2015, an employer whose business is primarily drilling, extracting, and processing or providing support services for such activities shall be allowed a credit against the taxes imposed pursuant to § 58.1-400 in an amount equal to the total amount paid annually for reimbursements of travel, lodging, food, and other allowable expenses by such employer when he requires his employees to work outside of the Commonwealth in the natural gas industry.*

*C. Any credit not used in the taxable year for which the reimbursements were paid may be transferred to another taxpayer for use on his Virginia income tax return. An employer who transfers any amount of the credit in accordance with this section shall submit a notification of such transfer to the Department of Taxation in accordance with the procedures and forms prescribed by the Tax Commissioner.*

INTRODUCED

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