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HOUSE BILL NO. 94

Offered January 13, 2010

Prefiled January 5, 2010

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

Patron—Bell, Richard P.

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, 2010, the tax rate for a small business, as defined in § 2.2-904.1, shall be reduced by 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 would need to 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, through assistance from the Governor's Opportunity Fund for Economic Development.

INTRODUCED

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