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## HOUSE JOINT RESOLUTION NO. 85

Offered January 11, 2012

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*Directing the Joint Legislative Audit and Review Commission to study and determine the multiplier effects of various types of income tax credits, public-private partnerships, and other public-private investment programs. Report.*

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Patron—Purkey

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Referred to Committee on Rules

WHEREAS, the Commonwealth of Virginia, as part of its economic development efforts, has chosen to utilize income tax credits as a targeted and efficient way to incentivize increased economic activity in targeted areas to stimulate economic activity and employment in Virginia; and

WHEREAS, it is clear that these targeted investments by the Commonwealth have generated a substantial return in terms of investment, employment, and economic activity as well as secondary and tertiary economic benefits; and

WHEREAS, these income tax credits in different industries create multiplier effects of different sizes; and

WHEREAS, the Commonwealth utilizes strategies other than income tax credits, such as public-private partnerships and other public-private investment programs that utilize debt financing; and

WHEREAS, it would be helpful to Virginia policymakers to have more precise information regarding the size of the multipliers of various income tax credits, such as manufacturing tax credits, machinery and tools tax credits, technology/nanotechnology tax credits as well as public-private partnerships, and other public-private investment programs; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study and determine the multiplier effects of various types of income tax credits, public-private partnerships, and other public private investment programs.

In conducting its study, the Joint Legislative Audit and Review Commission shall review all current income tax credits, public-private partnerships, and other public-private investment programs that were enacted for economic development purposes and estimate the multipliers for each specific program.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Virginia Department of Taxation. All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2012, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2013 Regular Session of the General Assembly. The executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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