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SENATE BILL NO. 549

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Senator Wagner
on February 14, 2012)

(Patron Prior to Substitute—Senator Wagner)

A *BILL* to amend the Code of Virginia by adding in Chapter 8 of Title 2.2 an article numbered 3, consisting of sections numbered 2.2-817 through 2.2-818, relating to machinery and tools placed in service; grant program.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 8 of Title 2.2 an article numbered 3, consisting of sections numbered 2.2-817 through 2.2-818, as follows:

Article 3.

Machinery and Tools Investment Grant Program.

§ 2.2-817. Machinery and Tools Investment Grant Fund.

There is hereby created in the state treasury a special nonreverting, permanent fund, to be known as the Machinery and Tools Investment Grant Fund (the Fund), to be administered by the Department of Accounts. The Fund shall consist of funds as may be appropriated by the General Assembly, and any other gifts, grants, or donations from public or private sources. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund shall be used solely to provide grants pursuant to § 2.2-818, shall be made by the State Treasurer on warrants issued and signed by the Comptroller.

§ 2.2-818. Machinery and Tools Investment Grant Program.

A. A person who invests, on or after January 1, 2013, in new machinery and tools that are segregated for local taxation pursuant to § 58.1-3507 shall be eligible to apply for a Machinery and Tools Investment Grant for each of the first two years that the machinery and tools are placed in service. The amount of the grant shall be equivalent to the amount of tax assessed and collected on the machinery and tools by the locality in which the machinery and tools are located, but shall be reduced by the amount of any rebate or grant received by the person from the locality's industrial development authority or economic development authority for the machinery and tools in the same taxable year as the application for a grant pursuant to this section. However, if the locality in which the machinery and tools are located raises the rate of tax imposed on machinery and tools on or after July 1, 2012, the amount of the grant shall not exceed the amount of tax that would have been assessed using the tax rate in place on June 30, 2012. The grants shall be paid from the Machinery and Tools Investment Grant Fund established pursuant to § 2.2-817.

B. A person with eligible machinery and tools may apply to the Comptroller for a grant within 180 days of payment of the machinery and tools tax. Such application shall include such information required by the Authority to verify when the machinery and tools were placed in service and to verify the amount of tax assessed and collected by the locality on the machinery and tools, including the amount of any rebate or grant received by the person from the locality's industrial development authority or economic development authority for each of the first two years that the machinery and tools are placed in service. Grants shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Machinery and Tools Investment Grant Fund, such grants shall be paid in the next fiscal year in which funds are available.

C. Persons applying for a grant pursuant to this section shall first certify the machinery and tools with the commissioner of the revenue or local assessing officer of the locality in which the machinery and tools eligible under the grant program are located.

D. The Comptroller shall develop guidelines implementing the provisions of this section, which shall include guidelines about the information required to be provided in an application and how an applicant shall establish proof of payment of the local machinery and tools tax. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

2. That the provisions of this act shall not become effective unless an appropriation of general funds effectuating the purposes of this act is included in a general appropriation act passed by the 2012 Session of the General Assembly, which becomes law.