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SENATE JOINT RESOLUTION NO. 86

Offered January 11, 2012

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Requesting the Department of Taxation to study the impact of a state income tax credit for local machinery and tools taxes paid by manufacturers. Report.

Patron—Wagner

Referred to Committee on Rules

WHEREAS, capital investments made by manufacturers in machinery and tools are a catalyst for economic growth and job creation in the Commonwealth; and

WHEREAS, as a policy matter, the Commonwealth should provide state incentives for manufacturers to make capital investments in machinery and tools in the Commonwealth in order to help foster job creation; and

WHEREAS, state incentives for manufacturers to invest in machinery and tools should be designed in such a way as to minimize the impact on local government revenues; and

WHEREAS, one such incentive that meets these objectives would be to grant manufacturers a state income tax credit for local machinery and tools taxes paid; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Department of Taxation be requested to study the impact of a state income tax credit for local machinery and tools taxes paid by manufacturers.

In conducting its study, the Department of Taxation shall (i) solicit the input of business and industry and local government representatives and other interested persons; (ii) study the impact on the Commonwealth, local governments, and manufacturers of a state income tax credit for local machinery and tools taxes paid by manufacturers, including any anticipated increase in investments in machinery and tools that might result from such tax credit; and (iii) recommend to the Governor and the General Assembly the elements of a state income tax credit for local machinery and tools taxes paid by manufacturers, including recommending the date on which local machinery and tools tax rates then in effect would be used by manufacturers to compute the credit and taking into consideration the actions of certain localities to reduce their machinery and tools tax rates.

All agencies of the Commonwealth shall provide assistance to the Department of Taxation for this study, upon request.

The Department of Taxation shall complete its meetings by November 30, 2012, and the Tax Commissioner 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 Department of Taxation intends to submit to the Governor and the General Assembly 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.

INTRODUCED

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