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HOUSE JOINT RESOLUTION NO. 755

Offered January 18, 2013

Directing the Virginia Small Business Commission and Virginia Manufacturing Development Commission to evaluate and develop a plan for implementing tax restructuring to eliminate the BPOL, Machinery and Tool and Merchants' Capital Taxes. Report.

Patrons—Howell, W.J., Bell, Richard P., Byron, Cole, Cox, J.A., Cox, M.K., Edmunds, Farrell, Garrett, Head, Howell, A.T., Ingram, Joannou, Jones, Keam, Kilgore, Knight, Landes, LeMunyon, Massie, Merricks, Morefield, O'Bannon, Orrock, Peace, Purkey, Ramadan, Villanueva and Wright; Senators: Barker, Colgan, Newman, Norment, Puckett, Ruff and Wagner

Referred to Committee on Rules

WHEREAS, Virginia is a highly attractive state for business; and

WHEREAS, the competitiveness required for new business attraction is a driving force in Virginia's economic development planning; and

WHEREAS, existing businesses and the formation of new businesses within the Commonwealth are the single largest source of new jobs and capital; and

WHEREAS, the Virginia economy has shifted from an agricultural economy to one of technology and services over the last 50 years; and

WHEREAS, the imminent impacts of the reduction in federal government spending in the Commonwealth will have a profoundly negative effect on many of our businesses; and

WHEREAS, international and domestic competitors have aggressively restructured their tax codes to lower the tax barriers to job creation and capital investment in the last decade; and

WHEREAS, Virginia must be at the forefront of global competitiveness while producing necessary revenue for world-class core government services such as education, transportation, and public safety; and

WHEREAS, leveling the operating costs between Virginia operations and competing locations domestically and abroad, is a desirable economic goal; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Virginia Small Business Commission and Virginia Manufacturing Development Commission be directed to develop a plan for a major tax restructuring that will eliminate the BPOL, Machinery and Tool, and Merchants' Capital Taxes.

In developing the plan, the Virginia Small Business Commission and Virginia Manufacturing Development Commission shall (i) evaluate the Thomas Jefferson Institute for Public Policy's Virginia State Tax Analysis Modeling Program (STAMP); (ii) ensure that the proposed plan is mutually beneficial to small businesses, the manufacturing sector, local government, and the Commonwealth and that the provisions are not redundant; and (iii) include an evaluation of lowering and broadening the state sales tax, eliminating lower personal income tax brackets, and eliminating the Business Professional Occupation License (BPOL) tax, Machinery and Tools Tax and Merchants' Capital Tax. Other tax restructuring plans to accomplish these ends will also be considered.

The Virginia Small Business Commission and Virginia Manufacturing Development Commission shall complete their meetings by November 1, 2013. The Commissions shall report their findings to a joint meeting of the House Committee on Appropriations, House Committee on Finance and Senate Committee on Finance by December 15, 2013, 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 2014 Regular Session of the General Assembly. The executive summary shall state whether the Virginia Small Business Commission and Virginia Manufacturing Development Commission intend to submit to the General Assembly and the Governor a report of their 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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