

**DEPARTMENT OF TAXATION
2013 Fiscal Impact Statement**

1. Patron Benjamin L. Cline

2. Bill Number HB 2001

3. Committee House Rules

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. Title Prohibits Committees from Reporting Bills
Proposing to Add New Refundable State Tax
Credits.

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would prohibit any committee of the Virginia General Assembly from reporting any bill that proposes to add a new refundable state tax credit.

The effective date of this bill is not specified.

6. Budget amendment necessary: No.

7. No Fiscal Impact: (See Line 8.)

8. Fiscal implications:

Administrative Costs

The Department considers implementation of this bill as routine, and is not requesting additional funding.

Revenue Impact

This bill would have no impact on General Fund revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Refundable Tax Credits

A taxpayer who claims a refundable tax credit may receive a refund payment from the Department equal to the net excess of their refundable tax credit over their tax liability.

The majority of Virginia's tax credits are nonrefundable. Only the Agriculture Best Management Practices Tax Credit for individuals, the Research and Development Tax Credit, the Coalfield Employment Enhancement Tax Credit, and the Motion Picture Production Tax Credit are refundable in Virginia.

Proposed Legislation

This bill would prohibit any committee of the Virginia General Assembly from reporting any bill that proposes to add a new refundable state tax credit.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 1/21/2013 MTH
HB2001F161