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HOUSE BILL NO. 1190

Offered January 16, 2014

A *BILL to amend and reenact § 2.2-1514 of the Code of Virginia, as it is currently effective and as it may become effective, and to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to an individual income tax credit in an amount equal to a portion of the general fund surplus for the most recent fiscal year.*

Patron—LeMunyon

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1514 of the Code of Virginia, as it is currently effective and as it may become effective, is amended and reenacted and that the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13 as follows:

§ 2.2-1514. (Contingent expiration date) Assignment of general fund for nonrecurring expenditures.

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. At the end of each fiscal year, the Comptroller shall assign within his annual report pursuant to § 2.2-813 as follows: (i) 67 percent of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned by the general appropriation act for other usage within the general fund shall be assigned by the Comptroller for deposit into the Transportation Trust Fund or a subfund thereof, and (ii) if the remaining 33 percent is (a) at least equal to \$50 million, such remaining amount shall not be assigned but shall be held in reserve for appropriation by the General Assembly or (b) less than \$50 million, the remaining amount shall be assigned for nonrecurring expenditures. No such assignment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) (2) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) (3) capital outlay reappropriations pursuant to the general appropriation act, (iv) (4) (a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, (v) (5) pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, (vi) (6) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and (vii) (7) interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses (iv)(b), (v), and (vii) (4) (b), (5), and (7) beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for deposit into the Transportation Trust Fund or a subfund thereof, and an amount for nonrecurring expenditures equal to the amounts assigned by the Comptroller for such purposes pursuant to the provisions of subsection B. Such deposit to the Transportation Trust Fund or a subfund thereof shall not preclude the appropriation of additional amounts from the general fund for transportation purposes.

§ 2.2-1514. (Contingent effective date) Assignment of general fund for nonrecurring expenditures.

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"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

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59 appropriation act.

60 B. At the end of each fiscal year, the Comptroller shall assign within his annual report pursuant to
61 § 2.2-813 as follows: (i) 67 percent of the remaining amount of the general fund balance that is not
62 otherwise restricted, committed, or assigned by the general appropriation act for other usage within the
63 general fund shall be assigned by the Comptroller for deposit into the Transportation Trust Fund or a
64 subfund thereof, and (ii) if the remaining 33 percent is (a) at least equal to \$50 million, such remaining
65 amount shall not be assigned but shall be held in reserve for appropriation by the General Assembly or
66 (b) less than \$50 million, the remaining amount shall be assigned for nonrecurring expenditures. No
67 such assignment shall be made unless the full amounts required for other restrictions, commitments, or
68 assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to
69 § 2.2-1829, (ii) (2) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but
70 excluding any deposits provided under the Virginia Natural Resources Commitment Fund established
71 under § 10.1-2128.1, (iii) (3) capital outlay reappropriations pursuant to the general appropriation act,
72 (iv) (4) (a) operating expense reappropriations pursuant to the general appropriation act, and (b)
73 reappropriations of unexpended appropriations to certain public institutions of higher education pursuant
74 to § 2.2-5005, (v) (5) pro rata rebate payments to certain public institutions of higher education pursuant
75 to § 2.2-5005, (vi) (6) the unappropriated balance anticipated in the general appropriation act for the end
76 of such fiscal year, and (vii) (7) interest payments on deposits of certain public institutions of higher
77 education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for
78 clauses (iv) (b), (v), and (vii) (4) (b), (5), and (7) beginning with the initial fiscal year as determined
79 under § 2.2-5005 and for all fiscal years thereafter.

80 C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended
81 appropriations from the general fund or recommended amendments to general fund appropriations in the
82 general appropriation act in effect at that time an amount for deposit into the Transportation Trust Fund
83 or a subfund thereof, and an amount for nonrecurring expenditures equal to the amount assigned by the
84 Comptroller for such purpose pursuant to the provisions of subsection B. Such deposit to the
85 Transportation Trust Fund or a subfund thereof shall not preclude the appropriation of additional
86 amounts from the general fund for transportation purposes.

87 **§ 58.1-339.13. Revenue surplus tax credit.**

88 A. For taxable years beginning on or after January 1, 2014, there shall be allowed a refundable
89 income tax credit against the tax levied pursuant to § 58.1-320 in an amount that is equal to the
90 quotient obtained by dividing (i) the amount held in reserve for appropriation in the calendar year that
91 corresponds to the taxable year pursuant to clause (ii) of subsection B of § 2.2-1514 by (ii) the total
92 number of Virginia individual income tax returns filed for the immediately preceding taxable year as
93 estimated by the Tax Commissioner. For purposes of such computation, whenever married individuals
94 file separate Virginia income tax returns, one return shall be deemed to have been filed.

95 The credit may be claimed only by those individuals who were required under Virginia law to file an
96 individual income tax return and filed such return for the immediately preceding taxable year.

97 B. For married individuals filing separate Virginia income tax returns, the credit claimed in
98 aggregate by such individuals shall equal the amount of the refundable income tax credit.

99 C. The Tax Commissioner shall compute the amount of the refundable income tax credit rounded to
100 the nearest whole dollar no later than August 31 of the calendar year. The Tax Commissioner shall as
101 soon as practicable provide to the General Assembly and the Governor a written certification reporting
102 the amount of the refundable income tax credit.