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HOUSE BILL NO. 453

Offered January 8, 2014

Prefiled January 6, 2014

A *BILL to amend and reenact § 58.1-500 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 58.1-400.4, relating to corporate income taxes.*

 Patron—LeMunyon

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-500 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 58.1-400.4 as follows:

§ 58.1-400.4. Exemption from corporate income tax and filing corporate income tax return.

No tax levied pursuant to § 58.1-400 is imposed on any corporation with Virginia taxable income for the taxable year of \$25,000 or less, provided, however, that such corporation shall still be required to file a return for such tax for the taxable year if its gross revenues were in excess of \$500,000. For affiliated corporations that file a consolidated or combined return as provided under § 58.1-442, the \$25,000 Virginia taxable income threshold and the \$500,000 gross revenues threshold shall apply on an aggregate basis.

For taxable years beginning on and after January 1, 2016, the \$25,000 taxable income threshold shall be adjusted annually by a percentage, as determined by the Tax Commissioner and rounded to the nearest one-tenth of one percent, equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), for all items, from July 1 through June 30 for the year immediately preceding the affected taxable year, as such Index is published by the Bureau of Labor Statistics of the U. S. Department of Labor. The Tax Commissioner shall round such taxable income threshold to the nearest dollar.

§ 58.1-500. Declarations of estimated income tax required; contents, etc.

A. Every corporation subject to taxation under this chapter shall make a declaration of estimated tax for the taxable year if its income tax imposed by this chapter, for such taxable year, reduced by any credits allowable against the tax, can reasonably be expected to exceed ~~\$1,000~~ \$1,500.

For taxable years beginning on and after January 1, 2016, such \$1,500 of income tax shall be adjusted annually by a percentage, as determined by the Tax Commissioner and rounded to the nearest one-tenth of one percent, equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), for all items, from July 1 through June 30 for the year immediately preceding the affected taxable year, as such Index is published by the Bureau of Labor Statistics of the U. S. Department of Labor. The Tax Commissioner shall round such income tax amount to the nearest dollar.

B. For purposes of this article, "estimated tax" means the amount which the corporation estimates as the amount of the income tax imposed by this chapter for the taxable year less the amount which the corporation estimates as the sum of any credits allowable against the tax.

C. The declaration shall contain such pertinent information as the Commissioner may by forms or regulations prescribe.

D. A corporation may make amendments of a declaration filed during the taxable year under regulations prescribed by the Tax Commissioner, not exceeding the number specified in § 58.1-501.

E. A corporation with a taxable year of less than twelve months shall make a declaration in accordance with regulations prescribed by the Tax Commissioner.

2. That the provisions of this act shall be applicable for taxable years beginning on and after January 1, 2015.

INTRODUCED

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