14102527D

1 **HOUSE BILL NO. 896**
2 Offered January 8, 2014
3 Prefiled January 8, 2014
4 *A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section*
5 *numbered 58.1-439.12:11, relating to tax credit for the renovation or retrofitting of a public school.*
6 ————————
   Patron—Stolle
7 ————————
8 Referred to Committee on Finance
9 ————————
10 **Be it enacted by the General Assembly of Virginia:**
11 **1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a**
12 **section numbered 58.1-439.12:11 as follows:**
13 *§ 58.1-439.12:11. Public school renovation tax credit.*
14 *A. As used in this section, unless the context requires a different meaning:*
15 *"Eligible renovation expenses" means expenses incurred in a qualified public school renovation,*
16 *regardless of the taxable year in which the expenses have been incurred.*
17 *"Qualified public school renovation" means the renovation or retrofitting of a public school in the*
18 *Commonwealth that (i) has never received a substantial renovation or retrofitting, (ii) is 40 years old or*
19 *older, (iii) will be used after the renovation or retrofitting as a public school, and (iv) qualifies under*
20 *the criteria of the Public-Private Education Facilities and Infrastructure Act (§ 56-575.1 et seq.). A*
21 *substantial renovation or retrofitting shall not include adding or replacing HVAC and other normal*
22 *upkeep.*
23 *B. For taxable years beginning on or after January 1, 2014, a person that completes a qualified*
24 *public school renovation during the taxable year shall be allowed a credit against the taxes imposed by*
25 *§ 58.1-320 or 58.1-400 equal to 25 percent of the eligible renovation expenses. Credit shall only be*
26 *allowed beginning with the taxable year in which the qualified public school renovation has been*
27 *completed.*
28 *C. Any person seeking tax credits pursuant to this section shall apply to the Department. As part of*
29 *the application, the person shall provide to the Department sales receipts, contracts, and such other*
30 *evidence of the eligible renovation expenses incurred as may be required by the Department. The*
31 *Department shall determine the credit amount allowable for the taxable year and shall issue the*
32 *corresponding tax credit. In no case shall any person be issued more than $1 million in tax credits*
33 *under this section for any taxable year, and the total amount of tax credits granted under this section to*
34 *all persons for any fiscal year of the Commonwealth shall not exceed $100 million. If the total amount*
35 *of allowable tax credits approved by the Department in accordance with this section exceeds the $100*
36 *million maximum, the Tax Commissioner shall allocate such credits on pro rata basis.*
37 *D. The Department shall develop and issue guidelines for purposes of implementing the provisions of*
38 *this section. The guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).*
39 *The guidelines shall include, but shall not be limited to, procedures for claiming the tax credit provided*
40 *by this section.*
41 *E. The amount of the credit claimed shall not exceed the total amount of tax imposed by this chapter*
42 *upon the person for the taxable year. Any credit not usable for the taxable year for which the credit*
43 *was first allowed may be carried over for credit against the income taxes of the person in the next five*
44 *succeeding taxable years or until the total amount of the tax credit has been taken, whichever is sooner.*
45 *Credits granted to a partnership, limited liability company, or electing small business corporation (S*
46 *corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in*
47 *proportion to their ownership or interest in such business entity.*
48 *F. No credit shall be issued under this section for any taxable year for which federal law provides*
49 *that the costs of renovating or retrofitting a public school are a project or classification of expenditures*
50 *for which a federal income tax credit is allowed for such year.*