

DEPARTMENT OF TAXATION

2015 Fiscal Impact Statement

1. **Patron** Matthew James

3. **Committee** House Finance

4. **Title** Green job creation tax credit; sunset.

2. **Bill Number** HB 1843

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend the sunset date for the Green Job Creation Tax Credit for five years, from January 1, 2015 to January 1, 2020.

The effective date of this bill is not specified.

This is a Secretary of Finance bill.

6. Budget amendment necessary: No.

7. No Fiscal Impact (See Line 8.)

8. Fiscal implications:

Administrative Costs

The Department of Taxation ("the Department") considers implementation of this bill as routine, and does not require additional funding.

Revenue Impact

As the extension of the sunset date of the Green Job Creation Tax Credit is assumed in the official General Fund revenue forecast, 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:

Current Law

Under current law, taxpayers may claim an income tax credit of \$500 for each new green job created in Virginia with a salary of \$50,000 or more. The credit is allowed for the taxable year in which the job has been filled for at least one year and for each of the four succeeding taxable years provided the job is continuously filled during the respective taxable year. Green jobs include employment in industries relating to the field of renewable, alternative energies. Each taxpayer is allowed the credit for up to 350 jobs. Taxpayers may qualify for this credit and the Enterprise Zone Grant Program, but a taxpayer is not allowed a tax credit for any green job for which the taxpayer is allowed a major business facility job tax credit or a federal tax credit for investments in manufacturing facilities for clean energy technologies.

Proposed Legislation

This bill would extend the sunset date for the Green Job Creation Tax Credit for five years, from January 1, 2015 to January 1, 2020.

The effective date of this bill is not specified.

Similar Legislation

House Bill 1778 would extend the sunset date for the Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit from December 31, 2014 to December 31, 2019.

House Bill 1844 would extend the provision that requires a qualified major business facility to spread the credit allowed per qualified full-time employee over two taxable years instead of over three taxable years.

Senate Bill 1037 is identical to this bill.

cc : Secretary of Finance

Date: 1/19/2015 CWM
HB1843F161