

VIRGINIA ACTS OF ASSEMBLY -- 2016 SESSION

CHAPTER 325

An Act to amend and reenact § 58.1-1204 of the Code of Virginia, relating to bank franchise tax.

[S 670]

Approved March 10, 2016

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1204 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1204. Rate of tax.

The franchise tax imposed under this chapter shall be at the rate of \$1 on each \$100 of net capital as hereinafter defined. *The total tax liability per taxpayer under this chapter shall not exceed \$18 million annually. If at least five banks pay such maximum amount of franchise tax for three consecutive calendar years, beginning in 2017, as determined by the Department of Taxation, then such maximum amount shall increase to \$20 million beginning in the calendar year immediately following the third consecutive year. After two years at \$20 million, such maximum amount shall increase by three percent annually.* There shall be no deduction in respect to shares owned by exempt institutions.

2. That the Department of Taxation shall notify all bank and trust companies in the Commonwealth of the increase in the maximum annual tax liability no later than August 15 of the year immediately prior to the year of such increase.