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**HOUSE BILL NO. 126**

Offered January 8, 2020

Prefiled December 16, 2019

A *BILL 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 income tax credit for aquaculture oyster float purchases.*

Patrons—Miyares and Lopez

Referred to Committee on Agriculture, Chesapeake and Natural Resources

**Be it enacted by the General Assembly of Virginia:**

**1. 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:**

**§ 58.1-339.13. Tax credit for purchase of aquaculture oyster floats.**

A. For the purposes of this section, "aquaculture oyster float" means a device that is (i) purchased new by the taxpayer, (ii) specifically designed for the purpose of growing oysters at or under a pier, and (iii) constructed to be fully buoyant and facilitate the growth of oysters for the width of the pier.

B. For taxable years beginning on or after January 1, 2020, but before January 1, 2025, a taxpayer shall be allowed a nonrefundable credit against the tax imposed by § 58.1-320 in an amount equal to 100 percent of the purchase price of aquaculture oyster floats purchased during the taxable year that are actually in use.

C. The amount of credit allowed under this section shall not exceed the lesser of \$500 or the actual purchase price of the aquaculture oyster floats.

D. The total amount of tax credits available under this section for a calendar year shall not exceed \$50,000. In the event that applications for such credits exceed \$50,000 for any taxable year, the Department shall allocate the credits on a pro rata basis.

E. The amount of the credit that may be claimed in any single taxable year shall not exceed the total amount of tax imposed by this chapter for that taxable year. If the amount of the credit allowed under this section exceeds the taxpayer's tax liability for the taxable year in which the aquaculture oyster floats were purchased, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

F. Credits granted to a partnership, limited liability company, or electing small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in proportion to their ownership or interest in such business entities.

G. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

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