

2020 SPECIAL SESSION I

INTRODUCED

20200656D

SENATE BILL NO. 5102

Offered August 18, 2020

Prefiled August 18, 2020

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 rent forgone due to the COVID-19 pandemic.*

Patrons—Chafin, DeSteph and Ruff

Referred to Committee on Finance and Appropriations

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. Income tax credit for rent forgone due to the COVID-19 pandemic.

A. For taxable years beginning on and after January 1, 2020, but before January 1, 2025, any taxpayer that is a landlord renting residential real estate may claim a nonrefundable credit against any tax imposed pursuant to this chapter in the amount of 65 percent of rent forgone during the COVID-19 pandemic. The credit shall not be available for rent forgone by a landlord renting commercial, industrial, or any similar type of real estate. The credit shall be allowed only for rent that was not paid, either in part or in full, and for which the landlord has no alternative legal method of recovery. If a landlord receives rent for which he claimed a credit, he shall remit to the Department the applicable portion of the credit that was granted within 90 days of receiving such rent. Any credit not remitted by such time shall begin, as of such date, to accrue interest as provided in § 58.1-15.

B. The amount of the credit allowed under this section shall not exceed \$250,000 per taxpayer per year. 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, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next three taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

C. The Department 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.).

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