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**HOUSE BILL NO. 726**

Offered January 22, 1996

A *BILL* to amend the Code of Virginia by adding sections numbered 58.1-339.2 and 58.1-439.4, relating to the creation of an educational economic enhancement tax credit.

Patron—Kilgore

Referred to Committee on Finance

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

**1. That the Code of Virginia is amended by adding sections numbered 58.1-339.2 and 58.1-439.4 as follows:**

§ 58.1-339.2. *Educational economic enhancement tax credit.*

A. *For all taxable years beginning on or after January 1, 1996, any individual between the ages of 18 and 65 shall be entitled to a credit against the tax levied pursuant to § 58.1-320 in an amount equal to \$1,000 for obtaining a high school diploma or its equivalency during the tax year in which it is obtained.*

B. *If any person claiming the tax credit pursuant to subsection A can document through their employer, within one year of obtaining a high school diploma or its equivalent, that they have either obtained a job or have been promoted due to their attainment of the diploma, he shall be allowed an additional tax credit of \$1,000.*

C. *For purposes of this section, "job" means the full-time employment of an individual in Virginia for at least forty hours per week during at least forty weeks during the calendar year.*

§ 58.1-439.4. *Educational economic enhancement tax credit.*

A. *For all taxable years beginning on or after January 1, 1996, any taxpayer who allows an employee to work toward a high school diploma or its equivalent through its place of employment shall be entitled to a credit against the taxes imposed by Articles 2 (§ 58.1-320 et seq.), 6 (§ 58.1-360 et seq.), and 10 (§ 58.1-400 et seq.) of Chapter 3; Chapter 12 (§ 58.1-1200 et seq.); Article 1 (§ 58.1-2500 et seq.) of Chapter 25; or Article 2 (§ 58.1-2620 et seq.) of Chapter 26 of this title as set forth in this section, in an amount equal to \$1,000 for each employee who receives a high school diploma or its equivalent while employed by the taxpayer.*

B. *For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in such business entity.*

INTRODUCED

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