

# VIRGINIA ACTS OF ASSEMBLY -- 1997 SESSION

## CHAPTER 497

*An Act to amend and reenact § 59.1-279 of the Code of Virginia, relating to qualified business firm eligibility for enterprise zones.*

[H 2372]

Approved March 18, 1997

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

**1. That § 59.1-279 of the Code of Virginia is amended and reenacted as follows:**

§ 59.1-279. Eligibility.

A. Any business firm may be designated a "qualified business firm" for purposes of this chapter if:

1. (i) It establishes within an enterprise zone a trade or business not previously conducted in the Commonwealth by such taxpayer; and (ii) ~~forty~~ *twenty-five* percent or more of the employees employed at the business firm's establishment or establishments located within the enterprise zone either have incomes below eighty percent of the median income for the jurisdiction prior to employment or are residents of ~~the zone~~ *an enterprise zone*.

2. It (i) is actively engaged in the conduct of a trade or business in an area immediately prior to such an area being designated as an enterprise zone; and (ii) increases the average number of full-time employees employed at the business firm's establishment or establishments located within the enterprise zone by at least ten percent over the lower of the preceding two years' employment with no less than ~~forty~~ *twenty-five* percent of such increase being employees who either have incomes below eighty percent of the median income for the jurisdiction prior to employment or are residents of ~~the zone~~ *an enterprise zone*. Current employees of the business firm that are transferred directly to the enterprise zone facility from another site within the state resulting in a net loss of employment at that site shall not be included in calculating the increase in the average number of full-time employees employed by the business firm within the enterprise zone.

3. It (i) is actively engaged in the conduct of a trade or business in the Commonwealth and relocates to begin operation of a trade or business within an enterprise zone and (ii) increases the average number of full-time employees employed at the business firm's establishment or establishments within the enterprise zone by at least ten percent over the lower of the preceding two years' employment of the business firm prior to relocation with no less than ~~forty~~ *twenty-five* percent of such increase being employees who either have incomes below eighty percent of the median income for the jurisdiction prior to employment or are residents of ~~the zone~~ *an enterprise zone*. Current employees of the business firm that are transferred directly to the enterprise zone facility from another site within the state resulting in a net loss of employment at that site shall not be included in calculating the increase in the average number of full-time employees employed by the business firm within the enterprise zone.

4. For the purposes of this section, the term "full-time employee" means (i) an individual employed by a business firm and who works the normal number of hours a week as required by the firm or (ii) two or more individuals who together share the same job position and together work the normal number of hours a week as required by the business firm for that one position. For the purposes of this section, the term "jurisdiction" means the county, city or town which made the application under § 59.1-274 to have the enterprise zone. In the case of a joint application, jurisdiction means all parties making such application.

B. After designation as a qualified business firm pursuant to this section, each business firm in an enterprise zone shall submit annually to the Department a statement requesting one or more of the tax incentives provided in § 59.1-280 or § 59.1-282. Such a statement shall be accompanied by an approved form supplied by the Department and completed by an independent certified public accountant licensed by the Commonwealth which states that the business firm met the definition of a "qualified business firm" and continues to meet the requirements for eligibility as a qualified business firm in effect at the time of its designation. A copy of the statement submitted by each business firm to the Department shall be forwarded to the zone administrator.

C. The form referred to in subsection B of this section, prepared by an independent certified public accountant licensed by the Commonwealth, shall be prima facie evidence of the eligibility of a business firm for the purposes of this section.