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HOUSE BILL NO. 1649

Offered January 8, 1997

Prefiled December 31, 1996

A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 a section numbered 58.1-339.4 and by adding in Article 13 of Chapter 3 a section numbered 58.1-439.6, 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 in Article 3 of Chapter 3 a section numbered 58.1-339.4 and by adding in Article 13 of Chapter 3 a section numbered 58.1-439.6 as follows:

§ 58.1-339.4. Educational economic enhancement tax credit.

A. For all taxable years beginning on or after January 1, 1997, any individual between the ages of nineteen and sixty-five 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 his employer, within one year of obtaining a high school diploma or its equivalency, that he has either become employed in a full-time position or has been promoted in his existing full-time position due to the attainment of the diploma or its equivalency, he shall be allowed an additional credit against the tax levied pursuant to § 58.1-320 in an amount equal to \$1,000.

C. For purposes of this section, "full-time position" means a position in which the employee is expected to work at least forty hours per week and at least forty weeks during each calendar year. Such full-time position shall be in Virginia.

§ 58.1-439.6. Educational economic enhancement tax credit.

A. For all taxable years beginning on or after January 1, 1997, any taxpayer who allows an employee to work toward a high school diploma or its equivalency shall be entitled to a credit against the taxes imposed by Articles 2 (§ 58.1-320 et seq.), 6 (§ 58.1-360 et seq.), or 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 equivalency while employed by the taxpayer.

A taxpayer is deemed to allow an employee to work toward a high school diploma or its equivalency if that taxpayer (i) cooperates with the employee in establishing a work schedule that permits the employee to attend the classes required to obtain the high school diploma or its equivalency or (ii) provides classroom facilities in which a general educational development program as defined in § 22.1-223 is conducted.

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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