

975788629

HOUSE BILL NO. 2367

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Senator Chichester
on February 17, 1997)

(Patron Prior to Substitute—Delegate Cranwell)

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.6, relating to tax credits for worker training courses.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.6 as follows:

§ 58.1-439.6. Worker training tax credit.

A. For taxable years beginning on and after January 1, 1999, any taxpayer shall be allowed 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. The credit shall be in an amount equal to thirty percent of all expenditures paid or incurred by a taxpayer during the taxable year for eligible worker training, which shall include noncredit courses that promote economic development and worker training or retraining at any of the Commonwealth's community colleges or for worker training programs undertaken through an apprenticeship agreement approved by the Virginia Apprenticeship Council. 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 entities.

B. Any taxpayer who utilizes private schools or other instructional entities to provide eligible worker training shall be allowed a credit equal to the cost per student; however, the credit shall not exceed \$100 per student annually.

C. A taxpayer shall be entitled to the credit granted under this section only for those courses at a community college, a private school, or other instructional entity which have been certified as eligible worker training to the Department of Taxation by the Department of Business Assistance. The Department of Business Assistance shall develop guidelines which define eligible worker training to ensure that only those courses which are closely related to an employee's occupation or which seek to enhance an employee's skills are certified as eligible worker training.

D. Any credit not usable for the taxable year may be carried over for the next three taxable years. The amount of credit allowed pursuant to this section shall not exceed the tax imposed for such taxable year. If a taxpayer that is subject to the tax limitation imposed pursuant to this subsection is allowed another credit pursuant to any other section of this Code, or has a credit carryover from a preceding taxable year, such taxpayer shall be considered to have first utilized any credit allowed which does not have a carryover provision, and then any credit which is carried forward from a preceding taxable year, prior to the utilization of any credit allowed pursuant to this section.

E. No taxpayer shall be eligible to claim a credit for worker training undertaken by any program operated or administered by the Department of Business Assistance which provides for reimbursement for the training of employees for specific jobs at new and expanding facilities.