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HOUSE BILL NO. 1889

Offered January 15, 1999

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.6 and by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.11, 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 of Title 58.1 a section numbered 58.1-339.6 and by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.11 as follows:

§ 58.1-339.6. *Educational economic enhancement tax credit.*

A. *As used in this section:*

"Full-time position" means a position in which the employee is required 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.

"GED" means a general educational development certificate earned through a program of testing for high school graduation equivalency. A general educational development program is defined in § 22.1-223.

"Promotion" means an advancement in responsibility or rank in a full-time position.

B. For all taxable years beginning on or after January 1, 1999, 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 if he can document through his employer, within one year of obtaining a GED, 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 GED during the year in which it is obtained.

C. If the amount of the credit granted by this section exceeds the individual's tax liability for the taxable year, the portion of the credit which exceeds the tax liability shall not be refundable, and the unused portion of the credit shall expire.

§ 58.1-439.11. *Educational economic enhancement tax credit.*

A. *As used in this section:*

"Full-time position" means a position in which the employee is required 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.

"GED" means a general educational development certificate earned through a program of testing for high school graduation equivalency. A general educational development program is defined in § 22.1-223.

B. For all taxable years beginning on or after January 1, 1999, any taxpayer who allows an employee to work toward a GED shall be entitled to a credit against the taxes imposed by Article 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 GED while employed by the taxpayer in a full-time position.

A taxpayer is deemed to allow an employee to work toward a GED 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 GED or (ii) provides classroom facilities in which a GED program is conducted.

C. 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.

D. If the amount of the credit granted by this section exceeds the taxpayer's liability for the taxable year, the portion of the credit which exceeds the tax liability shall not be refundable, and the unused portion of the credit shall expire.

INTRODUCED

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