

1999 SESSION

INTRODUCED

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HOUSE BILL NO. 2237

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding in Title 58.1 a chapter numbered 35.2, consisting of a section numbered 58.1-3537, relating to economic development.

Patrons—May, Black, Blevins, Drake, Harris, Howell, Reid, Robinson, Ruff and Wardrup

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 Title 58.1 a chapter numbered 35.2, consisting of a section numbered 58.1-3537, as follows:

CHAPTER 35.2.

INCOME TAX REBATE TO LOCALITIES FOR ECONOMIC DEVELOPMENT.

§ 58.1-3537. Revenue sharing and expenditures for economic development.

A. It is declared that there is a public interest in promoting economic development and that successful economic development results in the increased need for funds to provide schools and other infrastructure. To promote economic development and assist localities with the costs associated with increased infrastructure needs, the Commonwealth shall rebate to a locality a portion of the estimated personal income tax derived from jobs created as a result of economic development.

B. For purposes of this section:

"Eligible locality" means a locality in which a business qualifying for the major business facility tax credit pursuant to § 58.1-439 is located.

"Qualifying income tax" means the personal income tax increase received as a result of jobs created by a business which qualifies for the major business facility tax credit pursuant to § 58.1-439.

C. Beginning July 1, 2000, a rebate equal to twenty percent of the qualifying income tax shall be paid to each eligible locality.

D. The Department shall promulgate guidelines for local government in qualifying for the rebates provided for in this section. In preparing such guidelines, the Department shall not be subject to the provisions of the Administrative Process Act (§ 9-6.14:1 et seq.) but shall cooperate with and seek counsel of local officials.

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