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HOUSE BILL NO. 2579

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding in Title 58.1 a chapter numbered 39.1, consisting of sections numbered 58.1-3994 and 58.1-3995, relating to tax credits to offset local property taxes.

Patron—Harris

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 39.1, consisting of sections numbered 58.1-3994 and 58.1-3995, as follows:****CHAPTER 39.1.****TAX CREDITS APPLICABLE TO LOCAL PROPERTY TAXES.****§ 58.1-3994. Definitions.***As used in this chapter:*

"Local property tax" means the tax levied against real property and tangible personal property owned by a natural person and used for nonbusiness purposes.

"Used for nonbusiness purposes" means the preponderance of use is for other than business purposes.

"Preponderance of use for other than business purposes" shall be deemed not to be satisfied if: (i) the property is expensed on the taxpayer's federal income tax return pursuant to Internal Revenue Code § 179; (ii) more than fifty percent of the basis for depreciation of the property is depreciated for federal income tax purposes; or (iii) in the case of a motor vehicle, the allowable expense of total annual mileage in excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee.

§ 58.1-3995. Education credit.

The governing body of any county, having a population of not less than 10,275 and not more than 10,350 may, by ordinance, provide a credit against the local property tax due for any natural person who provides private or home school education for his children who would otherwise be enrolled in public school. Such credit shall not exceed \$1000 per tax year and shall be available to the parent or legal guardian of any such child not utilizing the public school.

INTRODUCED

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