

# 1999 SESSION

INTRODUCED

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## HOUSE BILL NO. 2728

Offered January 21, 1999

*A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.11, relating to tobacco purchases tax credit.*

Patrons—Ruff, Armstrong, Bennett, Byron, Councill, Day and Ingram; Senators: Holland and Reynolds

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 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.11 as follows:**

*§ 58.1-439.11. Tax credit for purchase of tobacco.*

*A. For taxable years beginning on January 1, 1999, but before January 1, 2001, any corporation which purchases tobacco from Virginia warehouses shall be allowed a credit against the tax imposed by § 58.1-400 of an amount equaling fifty percent of all expenditures in excess of the tobacco purchases from such warehouses in 1997 made by such corporation. The amount of tobacco purchases made shall be certified by the Department of Agriculture and Consumer Services to the Department of Taxation.*

*B. The amount of such credit shall not exceed \$500,000 or the total amount of the tax imposed by this chapter, whichever is less, in the year of purchase. If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount which exceeds the tax liability may be carried over for credit against the income taxes of such corporation in the next five taxable years until the total amount of the tax credit has been taken. Credits granted to a partnership or electing small business corporation (S corporation) shall be passed through to the partners or shareholders, respectively.*

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