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HOUSE BILL NO. 2326

Offered January 10, 2001

Prefiled January 10, 2001

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:1, relating to Virginia Technology Internship Program Tax Credits.

Patron—May

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 58.1-439.12.1 as follows:

§ 58.1-439.12.1 Virginia Technology Internship Program tax credits.

A. As used in this section:

"Eligible information technology internship" means an internship in a technology-related field performed within Virginia that is (i) a college-level internship that qualifies for course credit at an accredited institution of higher education within the United States in which the student intern is enrolled; (ii) a high school level internship that provides practical, applied experience, as designated by the board of the Virginia public school district in which the student intern is enrolled; or (iii) a nondegree program that retrains workers for information technology careers.

"Eligible student intern" means (i) a student enrolled in an accredited institution of higher learning who has formally declared as a major course of study a degree program in a technology-related field, (ii) a student enrolled in a public high school or an accredited private high school within Virginia or a high school level home-schooled student who is a resident of Virginia, or (iii) a student enrolled in a nondegree information technology retraining program in an accredited institution of higher learning.

"Information technology training course" means workplace experience that provides knowledge of how technology is utilized in a technology-related field for which continuing education units or professional development points will be granted pursuant to guidelines established jointly by the Secretary of Education and the Secretary of Technology.

"Teacher or guidance counselor" means an individual employed within Virginia as a primary or secondary school teacher or guidance counselor licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1.

"Technology-related field" includes, but is not limited to, management information systems, computer science, information technology, telecommunications, or a technology-dependent field, such as bioinformatics.

B. An employer 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 subsections C and D.

C. Effective for the taxable year beginning January 1, 2002, but before January 1, 2003, an employer shall be allowed a credit in an amount equal to up to fifty percent of all wages paid to an eligible student intern for services performed in conjunction with an eligible information technology internship. The amount of the credit per eligible student intern shall not exceed \$2,000. The total amount of tax credits granted to employers under this subsection shall not exceed \$2,000,000.

D. Effective for the taxable year beginning January 1, 2002, but before January 1, 2003, an employer shall be allowed a credit of \$1,000 per teacher or guidance counselor to whom the employer provides an eligible information technology training course, provided only one such credit shall be allowed per teacher or guidance counselor regardless of how many training courses they take. The total amount of tax credits granted to employers pursuant to this subsection shall not exceed \$500,000.

E. 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.

F. The amount of the credit allowed pursuant to this section shall not exceed the tax imposed on the employer seeking the credit for such taxable year. Any credit not usable for the taxable year may be, to the extent usable, carried over for the next five succeeding taxable years. No credit shall be carried back to a preceding taxable year.

G. The Secretary of Technology in consultation with the Tax Commissioner shall issue guidelines

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59 further defining eligible internships and training courses. In preparing such guidelines, the Secretary of
60 Technology and the Tax Commissioner shall not be subject to the provisions of the Administrative
61 Process Act (§ 9-6.14:1 et seq.), but shall conduct a public hearing prior to issuing such guidelines.

62 H. The credit provided under this section shall be allowed only if an employer's application for
63 credit is approved and certified by the Secretary of Technology to the Department of Taxation.
64 Applications submitted to the Secretary of Technology shall be approved in the order received.

65 I. From such funds as may be appropriated and from other funds as may be received on its behalf, a
66 program of tuition assistance is hereby established in the form of grants awarded on a competitive basis
67 to eligible student interns participating in eligible information technology internships, as defined herein
68 and through guidelines issued in accordance with subsection G. The program shall be administered by
69 the Secretary of Technology through such guidelines as the Secretary, in consultation with the Secretary
70 of Education, may deem necessary and appropriate.

71 The amount of each grant awarded to each eligible student intern shall be used only for payment of
72 charges for tuition, fees, room, board, and other educational expenses.