

2001 SESSION

INTRODUCED

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SENATE BILL NO. 1416

Offered January 19, 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 tax credits for rainwater harvesting.*

Patron—Marye

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. Rainwater harvesting tax credit.

A. As used in this section, unless the context clearly requires otherwise:

"Rainwater harvesting system" means a system used to harvest and collect rainwater that is designed for such purposes as water conservation, irrigation, or such other uses of water as the Board of Health deems necessary for the citizens of the Commonwealth. A rainwater harvesting system shall include but is not limited to roof-washing systems, storage tanks for the collection of rainwater, gutters, and gutter guards.

B. For taxable years beginning on and after January 1, 2001, any individual and corporation shall be allowed a credit against the tax imposed by Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1 and Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1, respectively, for the costs of rainwater harvesting systems placed in service during the taxable year. The credit allowed under this section shall be in an amount equal to fifty percent of the total installed cost of a rainwater harvesting system but shall not exceed:

1. \$50,000 for each rainwater harvesting system placed in service during the taxable year by a corporation; and

2. \$2,000 for each rainwater harvesting system placed in service during the taxable year by an individual.

C. The amount of credit allowed pursuant to this section shall not exceed the tax imposed for such taxable year. Any credit not usable for the taxable year may be carried over for credit against the individual's or corporation's income taxes until the earlier of (i) the full amount of the credit is used or (ii) the expiration of the fifth taxable year after the taxable year in which the property is placed in service. If an individual or corporation that is subject to the tax limitation imposed pursuant to this subsection is allowed another credit pursuant to any other section of the Code of Virginia, or has a credit carryover from a preceding taxable year, such individual or corporation shall be considered to have first utilized any credit allowed that does not have a carryover provision, and then any credit that is carried forward from a preceding taxable year, prior to the utilization of any credit allowed pursuant to this section.

D. To claim the credit authorized under this section, the individual or corporation shall apply to the Board of Health which shall determine whether or not the use of the rainwater harvesting system is convenient and necessary for the health of the citizens of the Commonwealth. Upon an affirmative determination, the Board of Health shall determine the amount of eligible costs and issue a certificate thereof to such individual or corporation. The individual or corporation shall attach the certificate to the Virginia tax return on which the credit is claimed.

E. An individual or corporation who claims the credit pursuant to this section may not use the costs of such rainwater harvesting system as the basis for claiming any other credit or grant provided under the Code of Virginia.

2. That the Tax Commissioner and the Board of Health shall promulgate regulations, in consultation with the Department of Mines, Minerals and Energy as needed, in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.), for purposes of carrying out the provisions of this Act.

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