

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-439.7 of the Code of Virginia, relating to tax credit for machinery*  
3 *and equipment used to produce personal property from recyclable materials.*

4 [S 690]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-439.7 of the Code of Virginia is amended and reenacted as follows:**8 § 58.1-439.7. Tax credit for purchase of machinery and equipment for processing recyclable  
9 materials.

10 A. For taxable years beginning on and after January 1, 1999, but before January 1, 2004 2007, a  
11 corporation shall be allowed a credit against the tax imposed pursuant to § 58.1-400 in an amount equal  
12 to ~~ten~~ 10 percent of the purchase price paid during the taxable year for machinery and equipment used  
13 exclusively in or on the premises of manufacturing facilities or plant units which manufacture, process,  
14 compound, or produce items of tangible personal property from recyclable materials, within the  
15 Commonwealth, for sale. For purposes of determining "purchase price paid" under this section, the  
16 taxpayer may use the original total capitalized cost of such machinery and equipment, less capitalized  
17 interest. The Department of Environmental Quality shall certify that such machinery and equipment are  
18 integral to the recycling process before the corporation shall be entitled to the tax credit under this  
19 section. The corporation shall also submit purchase receipts, invoices, and such other documentation as  
20 may be necessary to confirm the taxpayer's statement of purchase price paid, with the income tax return  
21 to verify the amount of purchase price paid for the recycling machinery and equipment.

22 B. The total credit allowed under this section in any taxable year shall not exceed ~~forty~~ 40 percent of  
23 the Virginia income tax liability of such taxpayer.

24 C. Any tax credit not used for the taxable year in which the purchase price on recycling machinery  
25 and equipment was paid may be carried over for credit against the corporation's income taxes in the ~~ten~~  
26 10 succeeding taxable years until the total credit amount is used.

27 D. A taxpayer claiming the tax credit provided by § 58.1-439.8 shall not be eligible for the tax credit  
28 provided by this section.

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