

2006 SESSION

INTRODUCED

067033301

HOUSE BILL NO. 1160

Offered January 11, 2006

Prefiled January 11, 2006

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 employer-provided commuting benefits tax credits.

Patrons—Eisenberg and Bulova

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. Employer-provided commuting benefits tax credit.

A. For taxable years beginning on or after January 1, 2006, any employer shall be allowed a credit against the taxes imposed by §§ 58.1-320, 58.1-400, and 58.1-2501 in an amount equal to 50% of the cost of eligible commuting expenses provided by such employer for his employees, subject to the limitations in subsections B and C. For purposes of this section, eligible commuting expenses are those that cover travel between an employee's residence and place of employment by means of multiple-occupancy vehicle transportation and mass-transit transportation. To qualify as multiple-occupancy, a vehicle shall seat a minimum of eight adults and transport a minimum of four adults per trip between their residence and place of employment for at least 80% of its total annual mileage.

B. The maximum annual credit for commuting expenses shall not exceed the lesser of \$600 per employee or the employer's tax liability for the tax year. Any unused credit shall not be refundable and shall not be carried forward or back to a different year.

C. No employer shall be eligible to claim a credit under this section to the extent such employer has taken a deduction for such commuting expenses for federal income tax purposes. Each employer shall maintain documentation for the credit and when the income or insurance premiums tax return is filed shall submit whatever information is required by the Tax Commissioner or the State Corporation Commission, respectively.

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