

**DEPARTMENT OF TAXATION
2009 Fiscal Impact Statement**

1. **Patron** R. Steven Landes

2. **Bill Number** HB 2347

3. **Committee** Senate Finance

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

4. **Title** Income Tax: Repeal of Income Tax Credit
Code Sections

Second House:

☒ **In Committee**

☐ **Substitute**

☐ **Enrolled**

5. Summary/Purpose:

This bill would repeal several obsolete Code sections related to the Energy Income Tax Credit, the Qualifying Steam Producers Tax Credit, and the Alternate Tax Credit for Purchase of Machinery and Equipment for Processing Recyclable Materials. All of these credits have expired and are no longer available to be claimed.

The effective date of this bill is not specified.

6. **No Fiscal Impact.** (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

There is no general fund revenue impact for this bill. TAX has assigned no administrative costs to this bill.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. **Technical amendment necessary:** No.

11. Other comments:

Current Law

The Energy Income Tax Credit allowed for an individual income tax credit of an amount equaling ten to twenty percent of renewable energy source expenditures. The Code sections providing for this credit became obsolete when the credit expired on January 1, 1988.

The Qualifying Steam Producers Tax Credit allowed a corporate income tax credit for a steam producer in the amount of three dollars per ton for each ton of coal mined in Virginia purchased by such steam producer. The statute providing for this credit became obsolete when the credit expired on January 1, 2001.

The Alternate Tax Credit for Purchase of Machinery and Equipment for Processing Recyclable Materials allowed an income tax credit for a corporation making an investment of at least \$350 million within the Commonwealth before January 1, 2003. The credit was equal to ten percent of the purchase price paid during the taxable year for machinery and equipment used exclusively in or on the premises of manufacturing facilities or plant units which manufacture, process, compound, or produce items of tangible personal property from recyclable materials, within the Commonwealth, for sale. The statute providing for this credit became obsolete when the credit expired on January 1, 2003.

Proposal

This bill would repeal several obsolete code sections related to the Energy Income Tax Credit, the Qualifying Steam Producers Tax Credit, and the Alternate Tax Credit for Purchase of Machinery and Equipment for Processing Recyclable Materials. All of these credits have expired and are no longer available to be claimed.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/6/2009 TLG
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