

DEPARTMENT OF TAXATION

2010 Fiscal Impact Statement

1. **Patron** David L. Englin

3. **Committee** Senate Finance

4. **Title** Corporate Tax Preference Report

2. **Bill Number** HB 355

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require that the Department of Taxation post its annual Corporate Tax Preference Report detailing the total amount of corporate income tax relief provided in the Commonwealth on the Internet by October 1 of each year.

Under current law, the Tax Commissioner is directed to provide an annual Corporate Tax Preference Report. The Corporate Tax Preference Report must be submitted by October 1 of each year to the members of the House Appropriations Committee, the House Finance Committee, and the Senate Finance Committee.

The effective date of this bill is not specified.

6. **No Fiscal Impact**

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

8. **Fiscal implications:**

Administrative Costs

TAX would incur no administrative costs in implementing this bill.

Revenue Impact

This bill would have no impact on state or local revenues.

9. **Specific agency or political subdivisions affected:**

TAX

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

11. Other comments:

Corporate Tax Preference Report

Senate Bill 867 (*Acts of Assembly 2005*, Chapter 216) directed the Tax Commissioner to issue an annual report detailing the amount of income tax relief granted to corporations in the Commonwealth. The report must include the total dollar amount of income tax subtractions, deductions, exclusions, exemptions and credits claimed cumulatively by corporations. The Tax Commissioner is required to issue the report on an annual basis to the members of the House Appropriations Committee, the House Finance Committee and the Senate Finance Committee. The report does not reflect all of the exemptions and exclusions available to corporations because not all of them are reported on the Virginia income tax return.

Proposal

This bill would require that the Department of Taxation post its annual Corporate Tax Preference Report detailing the total amount of corporate income tax relief provided in the Commonwealth on the Internet by October 1 of each year. This would be in addition to TAX's current requirement to issue the report to the House Appropriations Committee, the House Finance Committee and the Senate Finance Committee by October 1 of each year.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/22/2010 KP
DLAS File Name: HB 355FE161.doc