

11103184D

HOUSE BILL NO. 1837

Offered January 12, 2011

Prefiled January 11, 2011

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12, relating to farm wineries and vineyards income tax credit.*

Patrons—Garrett, Abbitt, Armstrong, Athey, Bell, Richard P., Bell, Robert B., Byron, Carrico, Cline, Cox, J.A., Gilbert, Greason, Habeeb, Hugo, Ingram, Johnson, Kilgore, Landes, LeMunyon, Lewis, May, O'Bannon, Oder, Orrock, Peace, Poindexter, Purkey, Putney, Robinson, Scott, E.T., Sherwood, Surovell, Toscano, Villanueva and Wright

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 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12 as follows:

§ 58.1-339.12. Farm wineries and vineyards tax credit.

A. For taxable years beginning on and after January 1, 2011, any taxpayer licensed as a farm winery pursuant to § 4.1-207 shall be entitled to a credit against the tax levied pursuant to § 58.1-320 in an amount equal to 25 percent of all expenditures made by the taxpayer for the purchase and installation of barrels, bins, bottling equipment, capsuling equipment, corks, chemicals, crushers and destemmers, dirt, fermenters, fertilizer and soil amendments, filters, grape harvesters, grape plants, hoses, irrigation equipment, labeling equipment, poles, posts, presses, pumps, refractometers, seeders, tanks, tractors, weeding and spraying equipment, and wire.

B. If the amount of the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried over for credit against the income taxes of the taxpayer in the next 10 taxable years, or until the total credit amount has been taken, whichever occurs first.

C. For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in such business entities.

D. The Tax Commissioner shall establish guidelines regarding the information to include and the format for proof of payment by taxpayers seeking the credit allowed in this section. Such guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

HB1837