

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-1204 of the Code of Virginia, relating to bank franchise tax.*

3 [S 670]

4 Approved

5 **Be it enacted by the General Assembly of Virginia:**6 **1. That § 58.1-1204 of the Code of Virginia is amended and reenacted as follows:**7 **§ 58.1-1204. Rate of tax.**8 The franchise tax imposed under this chapter shall be at the rate of \$1 on each \$100 of net capital as
9 hereinafter defined. *The total tax liability per taxpayer under this chapter shall not exceed \$18 million*
10 *annually. If at least five banks pay such maximum amount of franchise tax for three consecutive*
11 *calendar years, beginning in 2017, as determined by the Department of Taxation, then such maximum*
12 *amount shall increase to \$20 million beginning in the calendar year immediately following the third*
13 *consecutive year. There shall be no deduction in respect to shares owned by exempt institutions.*14 **2. That the Department of Taxation shall notify all bank and trust companies in the**
15 **Commonwealth of the increase in the maximum annual tax liability no later than August 15 of the**
16 **year immediately prior to the year of such increase.**