

DEPARTMENT OF TAXATION

2018 Fiscal Impact Statement

1. **Patron** Alfonso H. Lopez

3. **Committee** Passed House and Senate

4. **Title** Green Job Creation Tax Credit; Extends
Sunset Provision

2. **Bill Number** HB 1372

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. Summary/Purpose:

This bill would extend the sunset date for the Green Job Creation Tax Credit for three years, from January 1, 2018 to January 1, 2021.

The effective date of this bill is not specified.

6. Budget amendment necessary: No.

7. No Fiscal Impact: (See Line 8).

8. Fiscal implications:

Administrative Costs

The Department of Taxation ("the Department") considers implementation of this bill as "routine," and does not require additional funding.

Revenue Impact

Because the extension of the sunset date of the Green Job Creation Tax Credit is assumed in the official General Fund revenue forecast, this bill would have no impact on General Fund revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Current Law

Virginia permits taxpayers to claim an income tax credit of \$500 for each new green job created in Virginia with a salary of \$50,000 or more. The credit is allowed for the taxable year in which a qualifying job has been filled for at least one year and for each of the four succeeding taxable years provided such job is continuously filled during the respective taxable year. Green jobs include employment in industries relating to the field of renewable, alternative energies. Each taxpayer is allowed the credit for up to 350 qualifying jobs. Taxpayers may qualify for this credit and the Enterprise Zone Grant Program, but a taxpayer is not allowed a tax credit for any green job for which the taxpayer is allowed a Major Business Facility Job Tax Credit or a federal tax credit for investments in manufacturing facilities for clean energy technologies.

Proposed Legislation

This bill would extend the sunset date for the Green Job Creation Tax Credit for three years, from January 1, 2018 to January 1, 2021.

Similar Bills

Senate Bill 573 is identical to this bill.

cc: Secretary of Finance

Date: 3/1/2018 JLOF
HB1372FER161