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HOUSE BILL NO. 1790

Offered January 11, 2023

Prefiled January 10, 2023

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.14, relating to electric vehicle charging equipment tax credit.*

Patrons—Reid and Kory

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 58.1-339.14 as follows:

§ 58.1-339.14. Tax credit for electric vehicle charging equipment.

A. For the purposes of this section:

"Allowable costs" means costs incurred by the eligible taxpayer for installation, permitting, and inspection fees associated with the purchase and installation of electric vehicle charging equipment.

"Electric vehicle charging equipment" means AC Level 2 electric vehicle charging equipment that operates at 208 to 240 volts and complies with requirements of Article 625 of the National Electrical Code.

"Eligible taxpayer" means (i) a taxpayer who owns and operates a farm or ranch, as defined by § 3.2-6400, that is engaged in the commercial production of agricultural products or (ii) an individual.

B. For taxable years beginning on and after January 1, 2023, but before January 1, 2028, an eligible taxpayer shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 for amounts paid for the purchase and installation of electric vehicle charging equipment and allowable costs. The amount of the credit shall be 30 percent of the cost of electric vehicle charging equipment and allowable costs incurred by the eligible taxpayer in the Commonwealth during the taxable year.

C. Each purchase and installation of electric vehicle charging equipment shall be eligible for a separate credit. However, no credit shall be allowed for any purchase that is not intended for an eligible taxpayer's personal use. The credit allowed under subsection B with respect to any single item of equipment shall not exceed (i) \$1,000 for equipment purchased for nonfarm use and (ii) \$3,000 for equipment purchased for use on a farm or ranch, as defined by § 3.2-6400. To claim this credit, an eligible taxpayer shall submit all receipts to the Department.

D. The amount of the credit that may be claimed in any single taxable year shall not exceed the eligible taxpayer's liability for taxes imposed by this chapter for that taxable year. If the amount of the credit allowed under this section exceeds the eligible taxpayer's tax liability for the taxable year in which the credit was earned, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the eligible taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

E. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

HB1790