

LD8814649

SENATE BILL NO. 1106

Offered January 23, 1995

A BILL to amend and reenact §§ 63.1-323 and 63.1-324 of the Code of Virginia, relating to the Neighborhood Assistance Act.

Patrons—Earley, Chichester, Quayle, Stosch, Trumbo and Wampler; Delegate: Nelms

Referred to the Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:

1. That §§ 63.1-323 and 63.1-324 of the Code of Virginia are amended and reenacted as follows:

§ 63.1-323 Tax credit authorized; proposals; regulations; amount for programs.

Any business firm that engages in the activities of providing neighborhood assistance, job training or education for individuals not employed by the business firm, community services or crime prevention services or any licensed physician who renders care through a free health care clinic in an impoverished area or for impoverished people shall receive a tax credit as provided in § 63.1-324, if the Commissioner of Social Services or his designee approves the proposal of such business firm or individual or of a neighborhood organization. The proposal shall set forth the program to be conducted, the impoverished area or impoverished people selected, the estimated amount to be invested in the program and the plans for implementing the program. A copy of the proposal shall be submitted by the Commissioner of Social Services or his designee to all planning district commissions within whose boundaries the proposal will operate. The planning district commissions shall thereafter notify their respective local units of government of the contents of the proposal. Such commission or the governing body of each governmental subdivision may thereafter comment in writing on the proposal to the Commissioner or his designee. If, in the opinion of the Commissioner or his designee, a business firm's investment can more consistently meet with the purposes of this chapter if made through contributions to a nonprofit neighborhood organization, a tax credit may similarly be allowed as provided in § 63.1-324. The Commissioner of Social Services or his designee is hereby authorized to promulgate regulations for the approval or disapproval of such proposals by business firms, individuals or neighborhood organizations. Such regulations shall contain a requirement that an annual audit be provided by the business firm or neighborhood organization as a prerequisite for approval. Through June 30, 1996, the total amount of tax credit granted for programs approved under this chapter for each fiscal year shall not exceed \$5,250,000. From July 1, 1996, through June 30, 1998, the total amount of tax credit granted for programs approved under this chapter for each fiscal year shall not exceed eight million dollars. Tax credits shall not be authorized after fiscal year 1998.

§ 63.1-324. Tax credit, amount, limitation, carry over.

The Commissioner of the Department of Social Services or his designee shall certify to the Commissioner of the Department of Taxation, or in the case of public service corporations subject to a license tax imposed by Chapter 26 (§ 58.1-2600 et seq.) of Title 58.1, to the Director of Public Service Taxation for the State Corporation Commission, the applicability of the tax credit provided herein for a business firm against any tax due under Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1 or against any income tax, franchise tax, gross receipts tax or premium tax due from a public service company, bank, bank and trust company, trust company, insurance company, other than a foreign fire or casualty insurance company, national bank, mutual savings bank, savings and loan association, individual, partnership, S corporation, or sole proprietorship, in an amount equaling fifty percent of the total amount invested by the business firm or individual during its taxable year in programs approved pursuant to § 63.1-323. No tax credit of less than \$50 shall be granted for any individual proposal, and a business firm or individual shall not be allowed a tax credit in excess of \$175,000 per taxable year. No tax credit shall be granted to any business firm for activities that are a part of its normal course of business. Any tax credit not usable for the period the investment was made may be carried over to the extent usable for the next five succeeding taxable years or until the full credit has been utilized, whichever is sooner.

INTRODUCED

SB1106