

# VIRGINIA ACTS OF ASSEMBLY -- 1996 SESSION

## CHAPTER 739

*An Act to amend and reenact §§ 58.1-337 and 58.1-436 of the Code of Virginia, relating to a tax credit for the purchase of advanced technology pesticide and fertilizer application equipment.*

[H 1215]

Approved April 6, 1996

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 58.1-337 and 58.1-436 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-337. Tax credit for purchase of advanced technology pesticide and fertilizer application equipment.

A. Any individual engaged in agricultural production for market who has in place a nutrient management plan approved by the local Soil and Water Conservation District *by the required tax return filing date of the individual* shall be allowed a credit against the tax imposed by § 58.1-320 of an amount equaling twenty-five percent of all expenditures made by such individual for the purchase of equipment certified by the Virginia Soil and Water Conservation Board as providing more precise pesticide and fertilizer application. Virginia Polytechnic Institute and State University and Virginia State University shall provide at the request of the Virginia Soil and Water Conservation Board technical assistance in determining appropriate specifications for certified equipment which would provide for more precise pesticide and fertilizer application to reduce the potential for adverse environmental impacts. The equipment shall be divided into the following categories; :

1. Sprayers for pesticides and liquid fertilizers;
2. Pneumatic fertilizer applicators;
3. Monitors, computer regulators, and height adjustable booms for sprayers and liquid fertilizer applicators;
4. Manure applicators; ~~and~~
5. Tramline adapters; *and*
6. *Starter fertilizer banding attachments for planters.*

B. The amount of such credit shall not exceed \$3,750 or the total amount of the tax imposed by this chapter, whichever is less, in the year of purchase. If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount which exceeds the tax liability may be carried over for credit against the income taxes of such individual in the next five taxable years until the total amount of the tax credit has been taken.

C. For purposes of this section, the amount of any credit attributable to the purchase of equipment certified by the Virginia Soil and Water Conservation Board as providing more precise pesticide and fertilizer application by a partnership or electing small business corporation (S corporation) shall be allocated to the individual partners or shareholders in proportion to their ownership or interest in the partnership or S corporation.

§ 58.1-436. Tax credit for purchase of advanced technology pesticide and fertilizer application equipment.

A. Any corporation engaged in agricultural production for market which has in place a nutrient management plan approved by the local Soil and Water Conservation District *by the required tax return filing date of the corporation* shall be allowed a credit against the tax imposed by § 58.1-400 of an amount equaling twenty-five percent of all expenditures made by such corporation for the purchase of equipment certified by the Virginia Soil and Water Conservation Board as providing more precise pesticide and fertilizer application. Virginia Polytechnic Institute and State University and Virginia State University shall provide at the request of the Virginia Soil and Water Conservation Board technical assistance in determining appropriate specifications for certified equipment which would provide for more precise pesticide and fertilizer application to reduce the potential for adverse environmental impacts. The equipment shall be divided into the following categories:

1. Sprayers for pesticides and liquid fertilizers;
2. Pneumatic fertilizer applicators;
3. Monitors, computer regulators, and height adjustable booms for sprayers and liquid fertilizer applicators;
4. Manure applicators; ~~and~~
5. Tramline adapters; *and*
6. *Starter fertilizer banding attachments for planters.*

B. The amount of such credit shall not exceed \$3,750 or the total amount of the tax imposed by this chapter, whichever is less, in the year of purchase. If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount which exceeds the tax liability may be carried over for

credit against the income taxes of such corporation in the next five taxable years until the total amount of the tax credit has been taken. Credits granted to a partnership or electing small business corporation (S corporation) shall be passed through to the partners or shareholders, respectively.

C. For purposes of this section, the amount of any credit attributable to the purchase of equipment certified by the Virginia Soil and Water Conservation Board as providing more precise pesticide and fertilizer application by a partnership or S corporation shall be allocated to the individual partners or shareholders in proportion to their ownership or interest in the partnership or S corporation.