

1996 SESSION

INTRODUCED

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HOUSE BILL NO. 446

Offered January 17, 1996

A BILL to amend the Code of Virginia by adding a section numbered 59.1-280.3, relating to business mentoring tax credits for businesses located within enterprise zones.

Patrons—Van Landingham and Moran

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 59.1-280.3, as follows:

§ 59.1-280.3. Business mentoring credit.

A. Any business firm which is actively engaged in the conduct of a trade or business within an enterprise zone shall receive as a credit 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 shares 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, partnership or sole proprietorship, an amount equal to the fair market value of any tangible personal property or business or professional services given, or the reasonable rental value of real property or tangible personal property leased or loaned without charge to assist a qualified business firm entitled to a state business income tax credit under § 59.1-280 in beginning, operating or expanding the operation of a trade or business within the same enterprise zone. No tax credit for any business shall exceed \$5,000 in any tax year. Any tax credit not usable in the tax year earned may not be applied to future tax years.

B. Each business firm which claims a credit under this section shall annually submit to the Department of Taxation a statement, on an approved form supplied by the Department and completed by an independent certified public accountant licensed by the Commonwealth, which identifies the qualified business firm or firms to which goods, services or property was provided, and the value thereof.

C. The form referred to in subsection B of this section, completed by an independent certified public accountant licensed by the Commonwealth, shall be prima facie evidence of the eligibility of a business firm for the credit provided by this section.

D. When a partnership or a small business corporation making an election pursuant to Subchapter S of the Internal Revenue Code is eligible for a tax credit under this section, each partner or shareholder shall be eligible for the tax credit provided for in this section on his individual income tax in proportion to the amount of income received by that partner from the partnership, or shareholder from the corporation, respectively.

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