

22101230D

HOUSE BILL NO. 442

Offered January 12, 2022

Prefiled January 11, 2022

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:13, relating to income tax credit; employers of G3 Program or cybersecurity graduates.*

Patrons—Murphy, Campbell, J.L., Kory, Rasoul, Shin and Simon

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 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:13 as follows:

§ 58.1-439.12:13. Tax credits for employers of G3 Program or cybersecurity graduates.

A. For purposes of this section:

"Eligible employee" means an employee as that term is defined in § 58.1-460, living and working in Virginia, who is hired for and works in a full-time position for the Virginia employer throughout the taxable year for which the credit is claimed and who is either (i) a graduate of the Get Skilled, Get a Job, Give Back Program (G3 Program) pursuant to § 23.1-2911.2 or (ii) a graduate with a degree in cybersecurity from a Virginia four-year institution of higher education.

"Employer" means the same as that term is defined in § 58.1-460.

"Wages" means the same as that term is defined in § 58.1-460.

B. For taxable years beginning on and after January 1, 2022, but before January 1, 2027, an employer may claim a nonrefundable credit against the tax levied pursuant to § 58.1-320 or 58.1-400 for each eligible employee hired during such taxable year. The amount of the credit shall be \$1,000 per eligible employee hired during the taxable year if such eligible employee worked in a full-time position throughout such taxable year after his hiring. The credit may be claimed only for the taxable year in which the eligible employee was first hired by the employer.

C. The total amount of tax credits available under this section for a taxable year shall not exceed \$5 million. In the event that applications for such credits exceed \$5 million for any taxable year, the Department shall allocate the credits on a pro rata basis.

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

E. For purposes of this section, the amount of the credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in such business entities.

F. 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

HB442