

SENATE BILL NO. _____ HOUSE BILL NO. _____

1 A BILL to amend and reenact § 58.1-408 of the Code of Virginia, relating to the apportionment of
2 taxable income of corporations.

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

4 **1. That § 58.1-408 of the Code of Virginia is amended and reenacted as follows:**

5 § 58.1-408. What income apportioned and how.

6 The Virginia taxable income of any corporation, except those subject to the provisions of §§
7 58.1-417, 58.1-418, 58.1-419, or § 58.1-420, excluding income allocable under § 58.1-407, shall be
8 apportioned to the Commonwealth by multiplying such income by ~~a fraction, the numerator of which is~~
9 ~~the property factor plus the payroll factor, plus twice~~ the sales factor, ~~and the denominator of which is~~
10 ~~four~~; however, where the sales factor does not exist, such income shall be multiplied by a fraction, the
11 numerator of which is the property factor plus the payroll factor and the denominator of ~~the fraction~~
12 ~~shall be the number of existing factors and where the sales factor exists but the payroll factor or the~~
13 ~~property factor does not exist, the denominator of the fraction shall be the number of existing factors~~
14 plus one which is two, reduced by the number of factors, if any, having no denominator.

15 **2. That the provisions of this act shall be effective for taxable years beginning on and after**
16 **January 1, 2007.**

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