




COMMONWEALTH of VIRGINIA

Department of Taxation

MEMORANDUM

TO: The Honorable Lacey E. Putney
The Honorable Harry R. Purkey
The Honorable Charles J. Colgan, Sr.

FROM: Janie E. Bowen
Tax Commissioner 

DATE: December 31, 2008

SUBJECT: 2009 Report on Major Business Facility Job Tax Credit

The provisions of the second enactment clause of Chapter 874, 1996 Acts of Assembly, require that each January 1, the Tax Commissioner submit a report on companies which have qualified for the major business facility job tax credit and the amount of such credits. Based on tax return information available as of December 2008, a total of \$516,174 in the major business credit was claimed during the year by 105 taxpayers.

To calculate the major business facility job tax credit, a company multiplies the number of full-time employees, above the threshold, at a new or expanded major business facility by \$1,000. (The threshold amount is 100 employees, except in economically distressed areas and enterprise zones where it is 50; in severely economically distressed areas, the threshold amount is 25.) The credit is claimed at the rate of one-third annually, and may not exceed the taxpayer's liability. Unused credits can be carried forward for ten years.

c: The Honorable Richard D. Brown
Ms. Betsey Daley
Mr. John A. Garka
Mr. Mark Haskins

