



COMMONWEALTH of VIRGINIA

Department of Taxation

January 10, 2014

The Honorable Walter A. Stosch
Chairman, Senate Finance Committee
General Assembly Building, Room 626
Capitol Square
Richmond, Virginia 23219

The Honorable S. Chris Jones
Chairman, House Appropriations Committee
General Assembly Building, Room 948
Capitol Square
Richmond, Virginia 23219

The Honorable R. Lee Ware, Jr.
Chairman, House Finance Committee
General Assembly Building, Room 421
Capitol Square
Richmond, Virginia 23219

Dear Chairmen:

Va. Code § 58.1-319 requires that any tax credit in Title 58.1 of the *Code of Virginia* that has not been claimed by any taxpayer during the preceding five calendar years be deemed obsolete. The Department of Taxation ("the Department") is required to report all credits that are deemed obsolete to the House Committee on Appropriations, House Committee on Finance, and Senate Committee on Finance no later than February 1 of each year.

Based on the Department's credit reports, no taxpayers have claimed the Day-Care Facility Investment Tax Credit in *Va. Code* § 58.1-439.4 or Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance for Needy Families ("TANF") in *Va. Code* § 58.1-439.9 during the past five years. Therefore, the Day-Care Facility Investment Tax Credit and Tax Credit for Certain Employers Hiring Recipients of TANF are deemed obsolete and no taxpayers may claim the tax credits in taxable years beginning on and after January 1, 2014 without the expressed authorization of the General Assembly. While taxpayers that claimed the Day-Care Facility Investment Tax Credit or Tax Credit for Certain Employers Hiring Recipients of TANF for taxable years prior to January 1, 2014 are entitled to carryforward any unused tax credits to taxable years beginning on and after January 1, 2014, there are no unused Day-Care Facility Investment Tax Credits or Tax Credits for Certain Employers Hiring Recipients of TANF available for carryforward.

Obsolete Tax Credits Report
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Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Craig M. Burns". The signature is written in a cursive style with a large, sweeping "C" and "B".

Craig M. Burns
Tax Commissioner

CMB/mth

Enclosure: Table of Fiscal Year Individual and Corporate Income Tax Credits

c: The Honorable Richard D. Brown, Secretary of Finance
Robert Vaughn, Director, House Appropriations Committee Staff
Betsey Daley, Staff Director, Senate Finance Committee

Fiscal Year Individual and Corporate Income Tax Credits

Returns Processed During Fiscal Years 2008-2012

April 26, 2013

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	Fiscal Year				
				2008	2009	2010	2011	2012
More than 10 years old:								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual and Corporate	\$ 5,977,505	\$ 4,666,468	\$ 5,770,289	\$ 5,510,165	\$ 6,152,078
§ 59.1-280	Enterprise Zone Business Tax Credit	1982 (effective July 1, 1982)	Individual and Corporate	8,372,117	6,683,794	1,452,584	1,559,590	1,329,645
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	435,216	197,916	370,759	440,807	291,179
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual and Corporate	447,730	354,277	287,154	115,812	199,156
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	210,488	128,948	159,507	135,422	173,169
§ 58.1-438.1	Tax Credit for Vehicle Emissions Testing Equipment and Clean-Fuel Vehicles and Certain Refueling Property	1993 (effective 1993)	Individual and Corporate	20,321	13,067	6,288	27,657	1,003
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual and Corporate	10,425,950	7,566,828	3,174,753	(858,143)	4,297,690
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	35,121,367	36,270,138	44,136,297	27,250,091	24,972,670
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	151,014	39,495	4,006	95,243	135,538
§ 59.1-280.1	Enterprise Zone Real Property Investment Tax Credit (Refundable)	1995 (effective July 1, 1995)	Individual and Corporate	114,772	285,831	0	0	0
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual and Corporate	39,813,474	62,768,477	64,616,330	46,795,338	59,216,385
§ 58.1-439.4	Day-Care Facility Investment Credit	1996 (effective 1997)	Individual and Corporate	0	0	0	0	0
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	655,229	502,355	669,940	585,469	1,248,177
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual and Corporate	15,151	12,916	29,640	*	181,859
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	2,620,928	2,700,421	1,208,570	603,233	656,223
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	348,408	305,708	350,872	291,172	274,891
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	2,715,375	2,508,738	1,857,833	1,616,988	2,062,140
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	253,925	156,346	155,154	144,338	126,862
§ 58.1-439.9	Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance to Needy Families (TANF)	1998 (effective 1999)	Individual and Corporate	0	0	0	0	0
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	157,476,122	130,924,389	131,455,141	118,264,385	94,987,173
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	678,370	722,201	868,723	587,501	575,137
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	25,347	19,267	16,689	70,228	267,954
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	*	0	*	0	0
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	98,418,726	89,726,075	110,282,456	110,574,891	115,733,373
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	135,745	168,728	124,011	161,982	113,181
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	14,287	7,280	12,239	*	*
Less than 10 years old:								
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	1,385,626	1,040,732	1,305,398	2,069,597	1,999,251
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	0	71,529	0	4,309	*
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	n.a.	n.a.	n.a.	0	0
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	n.a.	n.a.	n.a.	*	*
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	0
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	*
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	0
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	0
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	0
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	0

Notes:

1. Number of returns and amounts are for income tax returns processed during the fiscal year, regardless of taxable year. For most credits, returns for multiple taxable years were processed during the fiscal year. The total for each return may include carryovers from prior years.
2. If a return was amended or audited during the fiscal year, only the additional credit amount (or reduction) is included.
3. The amount shown for the Coalfields Employment Enhancement Tax credit includes the amount refunded to taxpayers, as well as that deposited with the Coalfields Economic Development Authority.
4. A refundable tax credit is one which is not limited by the amount of the taxpayer's tax liability.
5. Some credits may be claimed against taxes in addition to income taxes; amounts in table are for only individual and corporate income tax.

* Data for this credit is not available for release because fewer than four returns claiming the credit have been processed in during the fiscal year.