



COMMONWEALTH of VIRGINIA

Department of Taxation

January 6, 2015

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

The Honorable Charles J. Colgan
Co-Chairman, Senate Finance Committee
General Assembly Building, Room 326
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 tax 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.

In the 2013 Obsolete Tax Credits Report, the Day-Care Facility Investment Tax Credit and the Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance for Needy Families ("TANF") were both deemed obsolete as required by *Va. Code* § 58.1-319, and no taxpayers may claim such tax credits in taxable years beginning on and after January 1, 2014 without the expressed authorization of the General Assembly.

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Based on the Department's tax credit reports, all of Virginia's existing tax credits have been claimed within the past five calendar years. Therefore, the Department in this report is not deeming any additional tax credits obsolete.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Craig M. Burns". The signature is fluid and cursive, with the first name "Craig" being the most prominent.

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
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee
Ms. Betsey Daley, Staff Director, Senate Finance Committee

Fiscal Year Individual and Corporate Income Tax Credits

Returns Processed During Fiscal Years 2009-2013

December 15, 2014

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	Fiscal Year				
				2009	2010	2011	2012	2013
More than 10 years old:								
§§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual and Corporate	\$ 4,666,468	\$ 5,770,289	\$ 5,510,165	\$ 6,152,078	\$ 8,395,774
§ 59.1-280	Enterprise Zone Business Tax Credit	1982 (effective July 1, 1982)	Individual and Corporate	6,683,794	1,452,584	1,559,590	1,329,645	1,800,744
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	197,916	370,759	440,807	291,179	428,839
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual and Corporate	354,277	287,154	115,812	199,156	129,508
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	128,948	159,507	135,422	173,169	224,791
§ 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	13,067	6,288	27,657	1,003	6,084
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual and Corporate	7,566,828	3,174,753	(858,143)	4,297,690	2,773,843
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	36,270,138	44,136,297	27,250,091	24,972,670	21,841,032
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	39,495	4,006	95,243	135,538	229,573
§ 59.1-280.1	Enterprise Zone Real Property Investment Tax Credit (Refundable)	1995 (effective July 1, 1995)	Individual and Corporate	285,831	0	0	0	0
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual and Corporate	62,768,477	64,616,330	46,795,338	59,216,385	23,533,409
§ 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	502,355	669,940	585,469	1,248,177	858,504
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual and Corporate	12,916	29,640	*	181,859	*
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	2,700,421	1,208,570	603,233	656,223	2,705,672
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	305,708	350,872	291,172	274,891	252,203
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	2,508,738	1,857,833	1,616,988	2,062,140	1,932,017
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	156,346	155,154	144,338	126,862	155,399
§ 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	130,924,389	131,455,141	118,264,385	94,987,173	69,853,701
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	722,201	868,723	587,501	575,137	702,770
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	19,267	16,689	70,228	267,954	463,042
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	0	*	0	0	59,449,214
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	89,726,075	110,282,456	110,574,891	115,733,373	118,066,526
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	168,728	124,011	161,982	113,181	138,146
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	7,280	12,239	*	*	0
Less than 10 years old:								
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	1,040,732	1,305,398	2,069,597	1,999,251	3,218,062
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	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.	0	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.	*	*	*
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	0	100,787
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	*	0
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	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.	0	1,481,282
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	0	0
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	n.a.	n.a.	0	*
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	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.