



COMMONWEALTH of VIRGINIA

Department of Taxation

February 1, 2016

The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee
General Assembly Building, Room 626
Capitol Square
Richmond, Virginia 23219

The Honorable Emmett W. Hanger, Jr.
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. In the 2014 Obsolete Tax Credits Report, no tax credits were deemed obsolete.

Based on the Department's tax credit reports, all of Virginia's existing tax credits in Title 58.1 of the *Code of Virginia* 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,



Craig M. Burns
Tax Commissioner

CMB/jjs

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 2008-2014
January 27, 2016

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	Fiscal Year						
				2008	2009	2010	2011	2012	2013	2014
More than 10 years old:										
§§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual and Corporate	2,626	2,076	3,434	3,489	3,830	4,320	4,178
§ 59.1-280	Enterprise Zone Business Tax Credit	1982 (effective July 1, 1982)	Individual and Corporate	280	215	158	149	127	56	31
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	274	139	216	242	175	216	244
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual and Corporate	54	44	53	41	34	9	6
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	139	84	104	115	109	128	124
§ 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	42	33	37	31	20	20	23
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual and Corporate	144	105	117	123	138	195	121
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	47	59	86	50	31	37	42
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	376	75	19	84	96	135	176
§ 59.1-280.1	Enterprise Zone Real Property Investment Tax Credit (Refundable)	1995 (effective July 1, 1995)	Individual and Corporate	6	4	0	0	0	0	0
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual and Corporate	1,037	1,094	1,452	1,359	1,154	833	932
§ 58.1-439.4	Day-Care Facility Investment Credit	1996 (effective 1997)	Individual and Corporate	0	0	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	723	484	716	617	640	419	470
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual and Corporate	9	6	8	*	10	*	8
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	62	85	68	83	62	99	101
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	542	291	407	437	561	802	995
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	503	320	218	183	190	234	254
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	119	75	92	79	65	70	51
§ 58.1-439.9	Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance to	1998 (effective 1999)	Individual and Corporate	0	0	0	0	0	0	0
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	6,945	5,550	6,797	7,476	6,741	4,788	4,134
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	18,984	21,392	24,890	16,908	16,456	20,580	18,946
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	60	45	39	55	111	221	356
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	*	0	0	0	0	8	*
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	400,970	292,661	334,580	326,873	333,787	343,291	361,832
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	56	58	57	51	57	72	78
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	19	10	8	*	*	0	0
Less than 10 years old:										
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	4,921	3,363	4,949	8,146	9,142	13,510	10,009
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	0	15	0	4	*	*	5
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	n.a.	n.a.	n.a.	0	0	0	4
§ 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	41	70
§ 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.	*	0	4
§ 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	*	16
§ 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	67	196
§ 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	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.	n.a.	*	14
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	n.a.	0	7

- Notes:
- 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.
 - If a return was amended or audited during the fiscal year, only the additional credit amount (or reduction) is included.
 - 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.
 - A refundable tax credit is one which is not limited by the amount of the taxpayer's tax liability.
 - 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.