



# COMMONWEALTH of VIRGINIA

## Department of Taxation

February 1, 2017

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:

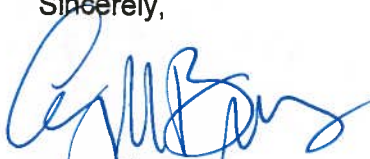
*Va. Code* § 58.1-319 requires that any tax credit in Title 58.1 of the *Code of Virginia* that has not been claimed by any taxpayer during the preceding five calendar years be deemed obsolete. The Department of Taxation ("the Department") is required to report all tax credits that are deemed obsolete 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 and 2015 Obsolete Tax Credits Reports, 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 deeming no additional tax credits obsolete.

Please contact me if you have any questions.

Sincerely,



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 in Title 58.1**  
Amount of Credits Claimed on Returns Processed During Fiscal Years 2011-2015

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2011	2012	2013	2014	2015
<b>More than 10 years old:</b>								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	\$ 5,510,165	\$ 6,152,078	\$ 8,395,774	\$ 12,004,519	\$ 14,512,830
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	440,807	291,179	428,839	497,539	486,727
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	115,812	199,156	129,508	142,874	15,542
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	135,422	173,169	224,791	201,548	156,193
§ 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	27,657	1,003	6,084	13,434	9,482
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	(858,143)	4,297,690	2,773,843	1,310,327	4,109,769
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	27,250,091	24,972,670	21,841,032	21,455,535	28,363,515
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	95,243	135,538	229,573	356,353	307,062
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	46,795,338	59,216,385	23,533,409	27,102,242	97,998,279
§ 58.1-439.4	Day-Care Facility Investment Credit	1996 (effective 1997)	Individual and Corporate					
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	585,469	1,248,177	858,504	798,586	1,144,933
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	*	181,859	*	158,375	160,926
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	603,233	656,223	2,705,672	1,151,167	623,285
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	291,172	274,891	252,203	407,403	507,562
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	1,616,988	2,062,140	1,932,017	2,361,657	2,096,539
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	144,338	126,862	155,399	88,393	124,387
§ 58.1-439.9	Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance to Needy Families (TANF)	1998 (effective 1999)	Individual and Corporate					
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	118,264,385	94,987,173	69,853,701	70,640,472	67,668,579
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	587,501	575,137	702,770	655,893	604,377
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	70,228	267,954	463,042	854,611	823,494
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	0	0	59,449,214	6,714,625	8,909,576
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	110,574,891	115,733,373	118,066,526	131,038,155	133,791,162
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	161,982	113,181	138,146	156,049	229,754
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	*	*	0	0	0
<b>Less than 10 years old:</b>								
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	2,069,597	1,999,251	3,218,062	2,550,605	1,174,845
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	4,309	*	*	4,354	0
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	0	0	0	553	752
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	*	*	*	7,333	42,041
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	0	100,787	191,643	180,535
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	*	0	2,952,884	7,176,474
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	0	*	159,851	146,096
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	0	1,481,282	3,412,963	4,210,012
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	n.a.	0	0	7,600	41,700
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	0	*	362,426	736,816
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	n.a.	n.a.	0	51,128	112,843
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	n.a.	0	1,613,525

\* 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.

**Fiscal Year Individual and Corporate Income Tax Credits in Title 58.1**

Number of Returns Processed During Fiscal Years 2011-2015

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2011	2012	2013	2014	2015
<b>More than 10 years old:</b>								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	3,489	3,830	4,320	4,178	4,393
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	242	175	216	244	255
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	41	34	9	6	*
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	115	109	128	124	99
§ 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	31	20	20	23	41
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	123	138	195	121	74
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	50	31	37	42	49
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	84	96	135	176	191
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	1,359	1,154	833	932	1,038
§ 58.1-439.4	Day-Care Facility Investment Credit	1996 (effective 1997)	Individual and Corporate	<i>*Deemed obsolete pursuant to Va. Code § 58.1-319*</i>				
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	617	640	419	470	471
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	*	10	*	8	6
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	83	62	99	101	91
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	437	561	802	995	1,689
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	183	190	234	254	241
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	79	65	70	51	62
§ 58.1-439.9	Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance to Needy Families (TANF)	1998 (effective 1999)	Individual and Corporate	<i>*Deemed obsolete pursuant to Va. Code § 58.1-319*</i>				
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	7,476	6,741	4,788	4,134	3,842
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	16,908	16,456	20,580	18,946	17,357
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	55	111	221	356	284
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	0	0	8	*	7
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	326,873	333,787	343,291	361,832	364,370
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	51	57	72	78	98
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	*	*	0	0	0
<b>Less than 10 years old:</b>								
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	8,146	9,142	13,510	10,009	4,081
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	4	*	*	5	0
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	0	0	0	4	*
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	*	*	*	*	20
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	0	41	70	63
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	*	0	4	4
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	n.a.	0	*	16	13
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	n.a.	0	67	196	317
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	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.	*	14	34
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	n.a.	n.a.	0	7	10
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	n.a.	0	347

\* 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.