



COMMONWEALTH of VIRGINIA

Department of Taxation

February 1, 2019

To: The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

The Honorable R. Lee Ware, Jr.
Chairman, House Finance Committee

Dear Chairmen:

Virginia 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 through 2017 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 has determined that no additional tax credits are obsolete.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig M. Burns".

Craig M. Burns
Tax Commissioner

CMB/rwc

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

C: The Honorable Aubrey L. Layne Jr, Secretary of Finance

Fiscal Year Individual and Corporate Income Tax Credits in Title 58.1
Amount of Credits Claimed on Returns Processed During Fiscal Years 2014-2018

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2014	2015	2016	2017	2018
More than 10 years old:								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	\$ 12,004,519	\$ 14,512,830	\$ 15,582,465	\$ 14,374,525	\$ 13,660,342
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	497,539	486,727	388,649	220,153	195,865
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	142,874	15,542	2,587	1,462	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	201,548	156,193	189,639	134,734	133,953
§ 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	13,434	9,482	9,437	13,839	41,754
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	1,310,327	4,109,769	772,996	6,766,397	1,843,973
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	21,455,535	28,363,515	23,432,390	18,876,702	15,201,030
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	358,353	307,062	312,647	153,814	88,561
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	27,102,242	97,998,279	98,069,652	87,762,096	69,963,347
§ 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	798,586	1,144,933	1,008,216	687,381	485,114
§ 58.1-439.8	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	158,375	160,926	225,596	234,045	302,818
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	1,151,167	623,285	2,098,025	1,659,152	1,448,216
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	407,403	507,562	573,464	364,274	360,689
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	2,381,657	2,096,539	2,382,504	2,183,738	2,837,611
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	88,393	124,387	163,750	120,696	114,042
§ 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	70,840,472	67,888,579	70,045,313	53,552,533	56,939,343
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	655,893	604,377	731,922	773,483	105,477
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	854,811	823,494	755,221	694,857	734,377
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	6,714,625	8,909,576	3,128,699	3,705,189	6,803,731
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	131,038,155	133,791,162	137,064,092	133,649,656	130,158,836
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	156,049	229,754	321,533	251,001	283,314
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	0	0	0	0	0
Less than 10 years old:								
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2008 (effective 2008)	Individual Only	2,550,605	1,174,845	1,472,791	1,035,844	917,390
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	4,354	0	689	1,182	3,500
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	553	752	333	2,724	63,501
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	7,333	42,041	53,266	71,500	27,909
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	191,643	180,535	176,347	142,724	129,078
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	2,952,884	7,176,474	5,494,009	6,585,337	6,058,480
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	159,851	146,096	255,692	315,330	290,440
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	3,412,963	4,210,012	4,670,767	4,236,720	4,193,083
§ 58.1-439.12:09	Berge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	7,600	41,700	567,568	0	494
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	362,428	736,816	884,066	2,234,213	1,804,494
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	51,128	112,843	56,127	14,734	68,102
§ 58.1-439.28	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	0	1,613,525	4,676,327	6,511,853	7,935,928
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	6,082,317
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	5,000

- 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.

Fiscal Year Individual and Corporate Income Tax Credits in Title 58.1
 Number of Returns Processed During Fiscal Years 2014-2018

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2014	2015	2016	2017	2018
More than 10 years old:								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	4,178	4,393	4,853	4,462	4,330
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	244	255	205	141	136
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	6	*	*	*	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	124	99	111	90	84
§ 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	23	41	60	32	55
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	121	74	22	17	11
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	42	49	34	25	23
§ 58.1-439.1	Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit	1995 (effective 1996)	Individual and Corporate	176	191	199	106	89
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	932	1,038	1,095	899	729
§ 58.1-439.4	Day-Care Facility Investment Credit	1996 (effective 1997)	Individual and Corporate	*Deemed obsolete in 2013 pursuant to Va. Code § 58.1-319*				
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	470	471	412	306	228
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	8	6	11	*	*
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	101	91	159	72	84
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	995	1,689	1,543	316	218
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	254	241	218	247	257
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	51	62	77	46	49
§ 58.1-439.9	Tax Credit for Certain Employers Hiring Recipients of Temporary Assistance to Needy Families (TANF)	1998 (effective 1999)	Individual and Corporate	*Deemed obsolete in 2013 pursuant to Va. Code § 58.1-319*				
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	4,134	3,842	3,458	3,371	3,408
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	18,946	17,357	22,022	22,816	2,879
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	356	284	310	269	264
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	*	7	*	6	*
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	361,832	364,370	367,612	355,880	346,935
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	78	98	111	110	92
§ 58.1-339.9	Rent Reductions Tax Credit	2000 (effective 2000)	Individual and Corporate	0	0	0	0	0
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	10,009	4,081	1,507	717	567
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	5	0	*	*	*
Less than 10 years old:								
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	4	*	6	8	29
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	*	20	11	12	8
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	70	63	55	56	50
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	4	4	*	*	*
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	16	13	68	9	9
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	196	317	400	293	365
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	*	*	5	0	*
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	14	34	24	22	25
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	7	10	9	7	13
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	0	347	739	948	1,107
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	23
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	*

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