



# *COMMONWEALTH of VIRGINIA*

## *Department of Taxation*

October 22, 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

Dear Chairmen:

Pursuant to the third enactment clause of 2018 House Bill 365 (Chapter 821 of the Acts of Assembly), the Department of Taxation is required to report annually regarding the number of registrations and certifications of Virginia real estate investment trusts ("REITs").

House Bill 365 created an individual and corporate income tax subtraction for certain income attributable to an investment in Virginia REITs. To qualify for the subtraction, REITs are required to be certified by the Department as a Virginia REIT for the year in which the investment is made. This legislation became effective for taxable years beginning on or after January 1, 2019.

Because this legislation just recently became effective, the Department has nothing yet to report.

Please contact me if you have any questions.

Sincerely,

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

Craig M. Burns  
Tax Commissioner

C: The Honorable Aubrey L. Layne Jr, Secretary of Finance  
William J. White, Assistant Commissioner for Tax Policy