



COMMONWEALTH of VIRGINIA

Department of Taxation

February 15, 2022

To: The Honorable Janet D. Howell
Chairwoman, Senate Finance and Appropriations Committee

The Honorable Barry D. Knight
Chairman, House Appropriations Committee

The Honorable Roxann L. Robinson
Chairwoman, House Finance Committee

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 and Appropriations.

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 2020 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

Enclosures: Fiscal Year Individual and Corporate Income Tax Credits

c: The Honorable Stephen E. Cummings, Secretary of Finance

Fiscal Year Individual and Corporate Income Tax Credits in Title 58.1
Number of Returns Processed During Fiscal Years 2017-2021

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2017	2018	2019	2020	2021
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	4,462	4,330	4,210	3,782	3,707
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	141	136	131	107	137
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	*	0	*	0	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	90	84	78	73	56
§ 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	138	144	156	147	224
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	17	11	9	88	24
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	25	23	16	17	21
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	899	729	811	723	648
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	306	228	364	357	277
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	*	*	0	*	0
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	72	84	110	104	52
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	316	218	321	224	261
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	247	257	272	370	394
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	46	49	42	42	54
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	3,371	3,408	4,762	5,053	5,156
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	22,816	2,879	467	173	51
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	269	264	328	291	192
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	6	*	5	7	*
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	355,880	346,935	346,817	319,930	379,740
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	110	92	134	128	131
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	717	567	569	509	90
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	*	*	0	*	*
Less than 10 years old:								
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	8	29	9	9	10
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	12	8	0	23	19
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	56	50	51	40	37
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	*	*	0	*	*
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	9	9	7	6	15
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	293	365	446	653	300
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	0	*	*	*	13
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	22	25	24	32	34
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	7	13	4	5	0
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	948	1,107	1,399	1,354	1,448
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	23	24	44	34
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	*	0	*	25
§ 58.1-439.6:1	Worker Training Tax Credit	2019 (effective 2020)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	n.a.	0	4

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.
 - The Clean Fuel Vehicle and Vehicle Emissions Testing Equipment Credit includes both the Clean Fuel Vehicle and Certified Electric Vehicle Credit and the Vehicle Emissions Testing Equipment Credit. These two components were reported separately in prior annual reports.
- * 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
Amount of Credits Claimed on Returns Processed During Fiscal Years 2017-2021

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2017	2018	2019	2020	2021
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	\$ 14,374,525	\$ 13,660,342	\$ 15,025,343	\$ 16,422,451	\$ 13,698,497
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	220,153	195,865	244,172	230,492	294,554
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	1,462	0	8,737	0	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	134,734	133,953	140,097	103,986	95,982
§ 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	167,653	130,315	210,637	182,721	262,020
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	6,766,397	1,843,973	1,258,321	6,317,552	2,229,683
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	18,876,702	15,201,030	16,146,142	7,886,272	9,307,526
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	87,762,096	69,963,347	76,560,799	69,046,958	92,599,007
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	687,381	485,114	1,101,781	910,690	601,319
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	234,045	302,818	0	182,511	0
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	1,659,152	1,448,216	1,501,855	2,246,911	2,200,142
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	364,274	360,689	656,876	426,230	473,285
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	2,183,736	2,837,611	3,184,603	3,852,577	4,152,754
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	120,696	114,042	102,660	92,637	114,424
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	53,552,533	56,939,343	60,424,732	69,960,511	69,131,016
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	773,483	105,477	16,273	6,112	1,804
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	694,857	734,377	918,967	878,223	823,412
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	3,705,189	6,803,731	481,274	1,303,707	594,862
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	133,649,656	130,158,836	135,826,748	120,364,038	132,286,475
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	251,001	263,314	399,665	463,360	397,529
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	1,035,844	917,390	1,003,260	801,055	198,200
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	1,182	3,500	0	843	475
Less than 10 years old:								
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	2,724	63,501	47,952	46,591	37,796
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	71,500	27,909	0	62,490	101,974
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	142,724	129,078	199,143	122,253	127,804
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	6,585,337	6,058,480	0	7,211,088	5,788,912
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	315,330	290,440	917,637	83,605	86,938
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	4,236,720	4,193,083	4,149,789	5,188,869	2,577,023
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	0	494	484	1,581	16,923
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	2,234,213	1,804,494	1,840,341	1,364,332	1,835,085
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	14,734	68,102	5,328	64,700	0
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	6,511,653	7,935,928	10,959,188	11,172,610	9,682,665
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	6,082,317	4,812,582	17,153,766	12,015,062
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	n.a.	5,000	0	5,000	39,018
§ 58.1-439.6:1	Worker Training Tax Credit	2019 (effective 2020)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	n.a.	0	121,285

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. The Clean Fuel Vehicle and Vehicle Emissions Testing Equipment Credit includes both the Clean Fuel Vehicle and Certified Electric Vehicle Credit and the Vehicle Emissions Testing Equipment Credit. These two components were reported separately in prior annual reports.
* 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.