



COMMONWEALTH of VIRGINIA

Department of Taxation

December 21, 2022

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

The Honorable George L. Barker
Co-Chairman, Senate Finance and Appropriations Committee

The Honorable Barry D. Knight
Chairman, House Appropriations Committee

The Honorable Roxann L. Robinson
Chairwoman, House Finance Committee

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 through 2021 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,

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

Craig M. Burns
Tax Commissioner

Enclosure: Table of 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 2017-2022

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2018	2019	2020	2021	2022
More than 10 years old:								
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective 1981)	Individual, Corporate, Insurance and Bank	4,330	4,210	3,782	3,707	3,694
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	136	131	107	137	65
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	0	*	0	0	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	84	78	73	56	39
§ 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	144	156	147	224	202
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	11	9	88	24	5
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	23	16	17	21	*
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	729	811	723	648	536
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	228	364	357	277	69
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	*	0	*	0	0
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	84	110	104	52	44
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	218	321	224	261	264
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	257	272	370	394	322
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	49	42	42	54	43
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	3,408	4,762	5,053	5,156	5,204
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	2,879	467	173	51	54
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	264	328	291	192	188
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	*	5	7	*	*
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	346,935	346,817	319,930	379,740	398,037
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	92	134	128	131	123
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	567	569	509	90	13
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	*	0	*	*	*
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	29	9	9	10	11
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	8	0	23	19	63
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	50	51	40	37	44
§ 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	7	6	15	*
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	365	446	653	300	297
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	*	*	*	13	4
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	25	24	32	34	21
Less than 10 years old:								
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	13	4	5	0	0
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	1,107	1,399	1,354	1,448	1,583
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	23	24	44	34	50
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	*	0	*	25	30
§ 58.1-439.6:1	Worker Training Tax Credit	2019 (effective 2020)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	0	4	6
§ 58.1-337	Conservation Tillage and Precision Agriculture Equipment Tax Credit	2020 (effective 2021)	Individual and Corporate	n.a.	n.a.	n.a.	n.a.	54

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.