



COMMONWEALTH of VIRGINIA

Department of Taxation

November 1, 2023

To: The Honorable Janet D. Howell
Co-Chairman, 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

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.

For Taxable Year 2022, the Department received no applications under this program.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "CMB".

Craig M. Burns
Tax Commissioner

C: Stephen E. Cummings, Secretary of Finance
Kristin Collins, Assistant Commissioner for Tax Policy