



# COMMONWEALTH of VIRGINIA

## Department of Taxation

October 23, 2024

To: The Honorable L. Louise Lucas  
Chair, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian  
Chair, 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 2023, 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 "James J. Alex", with a stylized flourish to the right.

James J. Alex  
State Tax Commissioner  
Commonwealth of Virginia

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