



COMMONWEALTH of VIRGINIA

Department of Taxation

October 1, 2025

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

The Honorable Vivian E. Watts
Chairwoman, House Finance Committee

From: James J. Alex
State Tax Commissioner

Pursuant to 2019 House Bill 2539 (Chapter 189 of the 2019 *Acts of Assembly*), the Department of Taxation is required to report annually regarding the status and implementation of the Worker Training Tax Credit.

2019 House Bill 2539 created a tax credit for businesses that provide certain training opportunities to employees and middle school and high school students in Virginia. This credit became effective for taxable years beginning on or after January 1, 2019. Qualifying taxpayers may apply for credits by submitting Form WTC. Once credits have been approved, qualifying taxpayers may claim such credits on their Virginia income tax returns.

During Fiscal Year 2024, the Worker Training Tax Credit was claimed on four individual and corporate income tax returns for a total amount of \$129,356. This reflects income tax returns processed during Fiscal Year 2024 and does not include returns filed or processed on or after July 1, 2024.

The portion of the Worker Training Tax Credit for manufacturing orientation, instruction, and training expired on January 1, 2025, and the portion of the credit for eligible worker training expired on July 1, 2025.

Please contact me if you have any questions.

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