COMMONWEALTH of VIRGINIA

Department of Taxation

October 24, 2025

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

The Honorable Luke E. Torian
Chairman, House Appropriations Committee

Dear Chair Lucas and Chair Torian,

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 2024, the Department received no applications under this program. Because this program expired on December 31, 2024, this will be the last report unless the subtraction is subsequently extended by the General Assembly.

Please contact me if you have any questions.

Sincerely,

James J. Alex
Tax Commissioner
Commonwealth of Virginia

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