



COMMONWEALTH of VIRGINIA

Department of Taxation

January 6, 2025

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee
Post Office Box 700
Portsmouth, Virginia 23705

The Honorable Luke E. Torian
Chair, House Appropriations Committee
4222 Fortuna Plaza, Suite 659
Dumfries, Virginia 22025

The Honorable Vivian E. Watts
Chair, House Finance Committee
8717 Mary Lee Lane
Annandale, Virginia 22003

Dear Chair Lucas, Chair Torian, and Chair Watts:

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 and Appropriations 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 2023 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 "James J. Alex".

James J. Alex
Tax Commissioner
Commonwealth of Virginia

Enclosure: Table of Fiscal Year Individual and Corporate Income Tax Credits

c: The Honorable Stephen E. Cummings, Secretary of Finance
Kristin Collins, Deputy Commissioner for Tax Policy and Legislative Affairs

Fiscal Year Tax Credits in Title 58.1
Amount of Credits Claimed on Returns Processed During Fiscal Years 2018-2024

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2018	2019	2020	2021	2022	2023	2024
More than 10 years old:										
§ 58.1-439.18 et seq	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	\$ 13,660,342	\$ 15,025,343	\$ 16,422,451	\$ 13,698,497	\$ 14,102,634	\$ 17,050,227	\$ 15,230,963
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	195,865	244,172	230,492	294,554	100,132	620,590	54,218
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	0	8,797	0	0	0	239	0
§§ 58.1-337 & 58.1-436	Advanced Technology Pesticide and Fertilizer Application Equipment Credit	1990 (effective 1990)	Individual and Corporate	133,953	140,097	103,966	95,982	69,180	52,391	25,760
§ 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	130,315	210,637	182,721	262,020	323,251	689,073	74,716
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	1,843,973	1,258,321	6,317,552	2,229,683	843,582	4,030,574	1,762,369
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	15,201,030	16,146,142	7,886,272	9,307,526	295,684	8,912,339	5,487,343
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	69,963,347	76,560,799	69,046,958	92,599,007	52,718,434	65,061,847	84,086,876
§§ 58.1-339.3 & 58.1-439.5	Agricultural Best Management Practices Tax Credit	1996 (effective 1998)	Individual and Corporate	485,114	1,101,781	910,690	601,319	186,530	299,760	729,152
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	302,818	0	182,511	0	0	0	0
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	360,689	656,876	426,230	473,285	514,407	610,352	545,983
§ 58.1-2510	Refundable Retailer Costs Tax Credit	1998 (effective 1998)	Insurance	2,257,338	6,434,094	5,457,942	6,322,902	4,977,212	5,792,149	7,134,416
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	1,448,216	1,501,855	2,246,911	2,200,142	1,313,892	1,817,461	1,457,773
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	2,837,611	3,184,609	3,852,577	4,152,754	3,221,597	4,970,309	3,989,007
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	114,042	102,660	92,637	114,424	110,013	96,139	81,791
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	56,939,343	60,424,732	69,960,511	69,131,016	73,509,069	82,694,879	74,438,643
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	105,477	16,273	6,112	1,804	1,932	608	50
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	734,377	918,967	878,223	823,412	1,056,269	807,951	654,893
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	6,803,731	481,274	1,303,707	594,862	51,589	0	0
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	130,158,836	135,826,748	120,364,038	132,286,475	123,863,583	184,285,282	207,460,522
§§ 58.1-339.10 & 58.1-439.12	Riparian Forest Buffer Protection for Waterways Tax Credit	2000 (effective 2000)	Individual and Corporate	263,314	399,665	463,360	397,529	425,938	410,897	415,788
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	917,390	1,003,260	801,055	198,200	16,615	7,002	12,678
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	3,500	0	843	475	882	1,332	2,155
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	63,501	47,952	46,591	37,796	34,679	2,759	11,242
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	27,909	0	62,490	101,974	392,683	287,064	183,367
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	128,078	199,143	122,253	127,804	248,397	191,498	244,874
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	6,058,480	0	7,211,088	5,788,912	4,500,000	6,500,000	15,000,000
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	290,440	917,637	83,605	86,938	29,805	0	139,724
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	4,193,083	4,149,789	5,188,869	2,577,023	2,652,684	2,436,512	3,426,728
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	494	484	1,581	16,923	142,653	385,012	96,664
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	1,804,494	1,840,341	1,364,332	1,835,085	316,701	2,164,406	2,388,698
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	68,102	5,328	64,700	0	0	0	0
§ 58.1-439.26	Education Improvement Scholarships Tax Credits	2012 (effective 2013)	Individual, Corporate, Insurance and Bank	7,935,928	10,959,188	11,172,610	9,682,665	11,381,952	14,545,188	19,354,933
Less than 10 years old:										
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	5,082,317	4,812,582	17,153,766	12,015,062	9,934,435	21,280,491	14,642,056
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	5,000	0	5,000	39,018	47,167	101,625	49,309
§ 58.1-439.6:1	Worker Training Tax Credit	2019 (effective 2020)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	0	121,285	7,738	100,361	129,356
§ 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.	360,208	903,555	1,097,577
§ 58.1-390.3(E)	Pass-Through Entity Elective Tax Credit	2022 (effective 2021)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	204,239,943	1,362,847,594
§ 58.1-390.3(E)	Retroactive Pass-Through Entity Elective Tax Credit	2022 (effective 2021)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,088,973
§ 58.1-339.13	Hardwood Initiative Tax Credit	2022 (effective 2022)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,576
§ 58.1-339.14	Firearm Safety Device Tax Credit	2024 (effective 2024)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	296,866

Notes:
1. 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.
2. If a return was amended or audited during the fiscal year, only the additional credit amount (or reduction) is included.
3. 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.
4. A refundable tax credit is one which is not limited by the amount of the taxpayer's tax liability.
5. 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.
FY 2024 is subject to revision. Preliminary amount prior to review and publication of the full TAX Annual Report.

Fiscal Year Tax Credits in Title 58.1
 Number of Returns Processed During Fiscal Years 2018-2024

Code Section(s)	Credit	Year Enacted	Credit Claimed Against	2018	2019	2020	2021	2022	2023	2024
More than 10 years old:										
§ 58.1-439.18 et seq.	Neighborhood Assistance Act Credit	1981 (effective July 1, 1981)	Individual, Corporate, Insurance and Bank	4,330	4,210	3,782	3,707	3,694	3,939	3,923
§§ 58.1-334 & 58.1-432	Conservation Tillage Equipment Credit	1985 (effective 1985)	Individual and Corporate	136	131	107	137	65	47	27
§ 58.1-435	Low-Income Housing Credit	1989 (effective 1990)	Individual, Corporate, Insurance and Bank	0	0	0	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	28	15
§ 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	356	79
§ 58.1-439	Major Business Facility Job Tax Credit	1994 (effective 1995)	Individual, Corporate, Insurance and Bank	11	9	88	24	5	11	10
§ 58.1-439.2	Coalfield Employment Enhancement Tax Credit (Refundable)	1995 (effective 1996)	Individual and Corporate	23	16	17	21	0	4	12
§ 58.1-339.2	Historic Rehabilitation Tax Credit	1996 (effective 1997)	Individual, Corporate, Insurance and Bank	729	811	723	648	536	569	519
§§ 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	104	217
§ 58.1-439.6	Worker Retraining Tax Credit	1997 (effective 1999)	Individual, Corporate, Insurance and Bank	0	0	0	0	0	0	0
§ 58.1-332.1	Foreign Tax Credit	1998 (effective 1998)	Individual Only	218	321	224	261	264	360	301
§ 58.1-2510	Refundable Retaliatory Costs Tax Credit	1998 (effective 1998)	Insurance	9	8	12	16	6	15	14
§ 58.1-439.7	Recyclable Materials Processing Equipment Credit	1998 (effective 1999)	Individual and Corporate	84	110	104	52	44	57	47
§ 58.1-339.4	Qualified Equity and Subordinated Debt Investments Tax Credit	1998 (effective 1999)	Individual Only	257	272	370	394	322	416	318
§ 58.1-439.10	Waste Motor Oil Burning Equipment Credit	1998 (effective 1999)	Individual and Corporate	49	42	42	54	43	43	25
§ 58.1-512	Land Preservation Tax Credit	1999 (effective 2000)	Individual and Corporate	3,408	4,762	5,053	5,156	5,204	5,698	4,929
§ 58.1-339.6	Political Candidates Contribution Tax Credit	1999 (effective 2000)	Individual Only	2,879	467	173	51	54	18	0
§ 58.1-339.7	Livable Home Tax Credit	1999 (effective 2000)	Individual and Corporate	264	328	291	192	188	151	148
§ 58.1-433.1	Virginia Coal Employment and Production Incentive Tax Credit	1999 (effective 2001)	Corporate Only	0	5	7	0	0	0	0
§ 58.1-339.8	Low-Income Taxpayer Credit	2000 (effective 2000)	Individual Only	346,935	346,817	319,930	379,740	398,037	470,675	506,171
§§ 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	121	113
§ 58.1-339.11	Long-term Care Insurance Tax Credit	2006 (effective 2006)	Individual Only	567	569	509	90	13	0	6
§ 58.1-439.12:02	Biodiesel and Green Diesel Fuels Producers Tax Credit	2008 (effective 2008)	Individual and Corporate	0	0	0	0	0	0	6
§ 58.1-439.12:05	Green Job Creation Tax Credit	2010 (effective 2010)	Individual and Corporate	29	9	9	10	11	12	15
§ 58.1-439.12:04	Tax Credit for Participating Landlords (Community of Opportunity)	2010 (effective 2010)	Individual and Corporate	8	0	23	19	63	40	61
§ 58.1-339.12	Farm Wineries and Vineyards Tax Credit	2011 (effective 2011)	Individual and Corporate	50	51	40	37	44	57	48
§ 58.1-439.12:03	Motion Picture Production Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	0	0	0	0	0	0	0
§ 58.1-439.12:06	International Trade Facility Tax Credit	2011 (effective 2011)	Individual and Corporate	9	7	6	15	0	5	5
§ 58.1-439.12:08	Research and Development Expenses Tax Credit (refundable)	2011 (effective 2011)	Individual and Corporate	365	446	653	300	297	252	270
§ 58.1-439.12:09	Barge and Rail Usage Tax Credit	2011 (effective 2011)	Individual, Corporate, Insurance and Bank	0	0	0	13	4	6	6
§ 58.1-439.12:10	Virginia Port Volume Increase Tax Credit	2011 (effective 2011)	Individual and Corporate	25	24	32	34	21	35	41
§ 58.1-439.12:07	Telework Expenses Tax Credit	2011 (effective 2012)	Individual and Corporate	13	4	5	0	0	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	1,773	1,662
Less than 10 years old:										
§ 58.1-439.12:11	Major Research and Development Expenses Tax Credit	2016 (effective 2017)	Individual and Corporate	23	24	44	34	50	62	71
§ 58.1-439.12:12	Food Crop Donation Tax Credit	2016 (effective 2017)	Individual and Corporate	0	0	0	25	30	35	26
§ 58.1-439.6.1	Worker Training Tax Credit	2019 (effective 2020)	Individual, Corporate, Insurance and Bank	n.a.	n.a.	0	4	6	5	4
§ 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	97	119
§ 58.1-390.3(E)	Pass-Through Entity Elective Tax Credit	2022 (effective 2021)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	11,857	42,679
§ 58.1-390.3(E)	Retroactive Pass-Through Entity Elective Tax Credit	2022 (effective 2021)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	171
§ 58.1-339.13	Hardwood Initiative Tax Credit	2022 (effective 2022)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5
§ 58.1-339.14	Firearm Safety Device Tax Credit	2024 (effective 2024)	Individual Only	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,120

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