COMMONWEALTH of VIRGINIA

Department of Taxation

November 1, 2026

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

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

The Honorable L. Louise Lucas
Chairwoman, Senate Finance Committee
Post Office Box 700
Portsmouth, VA 23705

Dear Chairwoman Watts, Chairman Torian and Chairwoman Lucas:

During the 2019 Session, the General Assembly enacted House Bill 2003 (Chapter 699 of the *Acts of Assembly*), which required the Department of Taxation ("the Department") to publish an annual report regarding the Major Business Facility Job Tax Credit. This report must include the location of sites used for major business facilities for which a credit was claimed; the North American Industry Classification System ("NAICS") codes used for the major business facilities for which a credit was claimed; the number of qualified full-time employees for whom a credit was claimed; and the total cost to the Commonwealth's General Fund of the credits claimed. The report is to be published for taxable years beginning on or after January 1, 2019, and must include information for the 12-month period ending on the preceding December 31. The Department is publishing this report to provide data pertaining to Taxable Year 2024 Major Business Facility Job Tax Credits.

Background Regarding the Major Business Facility Job Tax Credit

Under *Va. Code* § 58.1-439, Virginia allows individuals, estates, trusts and corporations to claim the Major Business Facility Job Tax Credit against their Virginia income tax. Taxpayers may also apply these credits against their Virginia bank franchise tax and certain license taxes. The credit is available to businesses that establish a new facility or expand an existing facility in Virginia. The credit amount is $1,000 per new job created in excess of the qualifying threshold amount. The threshold amount is generally 50 new jobs, but may be lowered to 25 new jobs if the new jobs are located in designated Enterprise

Zones, or areas the Virginia Economic Development Authority has identified as economically distressed. The credit is earned over a two-year period, and the employment level must be maintained for a minimum of six years. The amount of credit allowed cannot exceed the tax imposed in any taxable year. Any credit not used in the taxable year the credit was allowed may be carried forward for the next ten succeeding taxable years.

Information Regarding Taxable Year 2024 Credits

The Department issued a total of $6,888,500 in Major Business Facility Job Tax Credits to taxpayers for Taxable Year 2024. Because the credit is issued for a two-year period beginning with the year after the establishment or expansion of a major business facility, this amount includes credits for major business facilities established or expanded during Taxable Years 2022 and 2023.

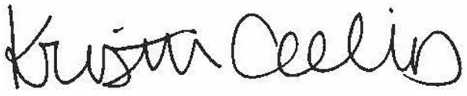
The credits issued for Taxable Year 2024 accounted for 13,855 qualified full-time employees. The credit was issued to facilities located in nine different localities, and by facilities with seven different NAICS codes, as shown below:

Taxable Year 2024 Major Business Facility Job Tax Credits	
Locations	**NAICS Codes**
The city of Norfolk and the counties of Hanover, Henrico, Fairfax, Goochland, and Chesterfield	Residential Building Construction (236110) Toy, Doll, and Game Manufacturing (339930) Other Mis. Nondurable Goods Merchant Wholesalers (424990) All Other Miscellaneous Retailers (459990) General Warehousing and Storage (493110) Data Processing, Hosting, and Related Services (518120) Offices of Other Holding Companies (55112) Office Administrative Services (561110)

The General Fund revenue impact of the Major Business Facility Tax Credit for credits claimed on Taxable Year 2024 returns processed during Calendar Year 2025 was $648,950. This amount includes the amount of credit issued by the Department for Taxable Year 2024 and also includes amounts carried over from prior taxable years under the Major Business Facility Tax Credit's ten-year carryover. It does not include credits issued for Taxable Year 2024 that could not be applied against tax liability on the Taxable Year 2024 return and, therefore, will be carried over to future taxable years. It also does not include credits claimed on returns processed after Calendar Year 2025.

Please contact me if you have any questions.

Sincerely,



Kristin Collins
Tax Commissioner

C: The Honorable Mark D. Sickles, Secretary of Finance
Charles Kennington, Assistant Commissioner, Virginia Department of Taxation