

Virginia Port Tax Credits

In 2011, the Virginia General Assembly passed three Virginia Port Tax Credits. A description of each tax credit is below. The 2014 General Assembly changes to the programs are highlighted in red. For more information, please contact Stephanie France: 757-683-2125/sfrance@portofvirginia.com or visit the Virginia Port Authority website: <http://www.portofvirginia.com/development/tax-incentive-program.aspx>

Port Volume Increase Tax Credit ([Code of Virginia Section 58.1-439.12:10](#))

- Tax credit for taxpayers engaged in the manufacturing of goods or the distribution of manufactured goods, agricultural entities, or mineral or gas entities that use public or private port facilities located in Virginia and increase port cargo at these facilities by a minimum of 5% in a single calendar year over their base year cargo volume.
- The base year is either the preceding tax year or the first year a company moves 10 TEUs or 75 noncontainerized tons, or **10 units of roll on-roll off cargo** through a public or private port terminal in Virginia.
- Volume increase requirement waived for a new major facility. This is a facility to be located in Virginia that is projected to import/export cargo through a Virginia port in excess of 25,000 TEUs in its first calendar year.
- Credit is \$50 per TEU or unit of roll-on roll-off cargo in excess of the base year cargo; tonnage conversion rate is 16 tons = 1 TEU
- Major Facility: credit is \$50 per TEU during the major facility's 1st calendar year.
- Credit can be claimed against Virginia individual or corporate income tax.
- Available for taxable years beginning 01/01/11 but before 01/01/17; cap of \$250,000 per tax payer or more if there is excess money in the pot or less if the pot is oversubscribed; cap of \$3.2 million per calendar year; can carry remainder forward for up to five years
- Apply to Port of Virginia using Form PVI by March 1 following the calendar year during which the credits were earned.

Barge and Rail Usage Tax Credit ([Code of Virginia Section 58.1-439.12:09](#))

- Tax credit for usage of barge or rail to move cargo to or from public or private port terminals in Virginia rather than by truck or other motor vehicle on Virginia's highways. (Must be international cargo)
- Credit is \$25 per TEU, 16 tons of noncontainerized cargo, or **unit of roll-on roll-off cargo** in excess of the number of containers shipped by barge or rail by the taxpayer during the immediately preceding taxable year.
- Credit can be claimed against Virginia individual income tax, corporate income tax, tax on estates and trusts, bank franchise tax, insurance premiums tax, and the tax on public service corporations.
- Available for taxable years beginning on and after 01/01/11 but before 01/01/17; **Cap of \$500,000 per fiscal year**; no cap per tax payer; can carry remainder forward for up to five years
- Apply to the Department of Taxation using Form BRU by April 1 of the year following the taxable year during which the credits were earned.

International Trade Facility Tax Credit ([Code of Virginia Section 58.1-429.12:06](#))

- Tax credit for either creating new jobs or capital investment in an international trade facility as a result of moving **5% more cargo through public or private port terminals in Virginia** than in the preceding taxable year.
- Credit is **either** (i) \$3,500 per qualified full-time employee **or** (ii) an amount equal to 2% of qualified capital investment expenses
- Credit can be claimed against Virginia individual or corporate income tax.
- Available for taxable years beginning 01/01/11 but before 01/01/17; **Cap of \$1.25 million per fiscal year**; no cap per tax payer; the amount of the credit allowed shall not exceed 50 % of the tax imposed for the taxable year; can carry remainder forward for up to 10 years
- Apply to the Department of Taxation using Form ITF by April 1 of the year following the taxable year during which the credits were earned.
- Cannot claim the same jobs for this credit, Major Business Facility Job Tax Credit or the POV Grant. Must choose one.