



2011 Summary of Virginia Port Tax Credits

Draft Guidelines are posted on the Virginia Department of Taxation website : www.tax.virginia.gov/site.cfm?alias=PortTax. Draft Guidelines are open for public comment until 12/19/2011.

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 rather than by truck or other motor vehicle on Virginia's highways.
- Credit is \$25 per TEU 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.
- 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.
- Available for taxable years beginning on and after 01/01/11 but before 01/01/15; Cap of \$1.5 million per fiscal year

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 10% more cargo through a Virginia Port Authority-operated cargo facility than in the preceding taxable year.
- Credit is **either** (i) \$3,000 per qualified full-time employee that results from increased qualified trade activities by the taxpayer **or** (ii) an amount equal to 2% of qualified capital investment expenses made by the taxpayer to facilitate increased qualified trade activities.
- Credit doubles to **either**: (i) \$6,000 per qualified full-time employee **or** (ii) 4% of qualified capital investment expenses for an international trade facility located in one of Virginia's tobacco-dependent localities. Click here for a map of those localities: <http://www.tic.virginia.gov/tobmapupdated.shtml>
- Credit can be claimed against Virginia individual or corporate income tax.
- Available for taxable years beginning 01/01/11 but before 01/01/15; Cap of \$250,000 per fiscal year
- 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.

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 (including processed agricultural products) 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.
- 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 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 01/01/16; cap of \$250,000 per tax payer; cap of \$3.2 million per calendar year.
- Apply to the Virginia Port Authority using Form PVI by March 1 of the calendar year following the calendar year during which the credits were earned.