

MAJOR BUSINESS FACILITY JOB TAX CREDIT

Qualified companies locating or expanding in Virginia receive a \$1,000 corporate income tax credit for each new full-time job created over a threshold number of jobs.

Components of the Job Tax Credit:

- Companies locating in Enterprise Zones or economically distressed areas are required to meet a 50-job threshold; all other locations have a 100-job threshold. The threshold number of jobs must be created within a 12-month period.
- For fiscal years 2010 and 2011, the credit may be claimed over two years (\$500 per year) instead of three.
- The \$1,000 credit is available for all qualifying jobs in excess of the threshold and is taken in equal installments over three years (\$333 per year). Unused credits may be carried over 10 years.
- The actual value of the tax credits depends on a number of company-specific factors such as: the number of qualifying new jobs, the net effect of job creation and elimination by the company throughout their Virginia facilities, the hiring schedule, the company's tax year, and the credit year established by the company.
- Non qualifying jobs include: seasonal or temporary jobs, positions in building and grounds maintenance, security, and other positions ancillary to the principal activities of the facility, and job relocations from other company locations in Virginia.
- Credits are available for taxable years beginning on and after January 1, 1995, but before January 1, 2020.

This tax incentive program is administered by the Virginia Department of Taxation and can be initiated with Department of Taxation Form 304.