

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 25-job threshold; all other locations have a 50-job threshold. The threshold number of jobs must be created within a 12-month period.
- The \$1,000 credit is available for all qualifying jobs in excess of the threshold and is taken in equal installments over two years (\$500 per year) for taxable years through 2014. After 2014, the credit is taken over three years (\$333/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, positions ancillary to the principal activities of the facility, and job relocations from other company locations in Virginia.
- Credits are available for taxable years before January 1, 2020.
- For jobs on the payroll for less than the full calendar year, the credit will be prorated.

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

Please download the following form for more information:

<http://www.tax.virginia.gov/taxforms/Business/Business%20Credits/304.pdf>

*Please note a company may claim both MBFJTC and EZ Job Grants at the same facility however not for the same jobs.