



GREEN JOB CREATION TAX CREDIT

For taxable years beginning before January 1, 2018, a taxpayer will be allowed a \$500 credit against the Virginia personal or corporate income tax for each new green job created within the Commonwealth by the taxpayer.

The credit is available for all qualifying jobs paying at least \$50,000. The credit will be first allowed for the taxable year in which the job has been filled for at least one year and for each of the four succeeding taxable years, provided that the job is continuously filled during the respective taxable year. Each qualifying taxpayer may claim the credit for up to 350 green jobs.

A “green job” means employment in industries relating to the field of renewable, alternative energies, including the manufacture and operation of products used to generate electricity and other forms of energy from alternative sources that include hydrogen and fuel cell technology, landfill gas, geothermal heating systems, solar heating systems, hydropower systems, wind systems, and biomass and biofuel systems. For purposes of the tax credit, the Bureau of Labor Statistics Green Jobs definition is used and is defined as either: jobs in businesses that produce goods or provide services that benefit the environment or conserve natural resources and/or jobs in which workers’ duties involve making their establishment’s production processes more environmentally friendly or use fewer natural resources.

The amount of the credit may not exceed the total amount of Virginia income tax for the taxable year in which the green job was continuously filled. If the amount of credit allowed exceeds the taxpayer’s tax liability for such taxable year, the taxpayer may carry over the credit for up to five taxable years, or until the total amount of the tax credit has been taken, whichever is sooner.

If the taxpayer is eligible for this Green Jobs Tax Credit and creates green jobs in an Enterprise Zone, such taxpayer may also qualify for the benefits under the Enterprise Zone Job Grant Program. The taxpayer may not, however, claim this Green Job Creation Tax Credit in addition to a Major Business Facilities Job Tax Credit nor a federal tax credit for investments in manufacturing facilities for clean energy technologies that would foster investment and job creation in clean energy manufacturing.