



MAJOR BUSINESS FACILITY JOB TAX CREDIT

Qualified companies locating or expanding in Virginia are eligible to receive a \$1,000 income tax credit for each new full-time job created over a threshold number of jobs, beginning in the first taxable year following the taxable year in which the major business facility commenced or expanded its operations.

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/year). Unused credits may be carried over for 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/or a job created when a position is shifted from an existing location within the Commonwealth to the new major business facility.
- 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:

<https://www.tax.virginia.gov/forms/search?search=304&year=All&category=3&type=All>

Contact the Virginia Department of Taxation for more information:

Cathy Early

804-225-4265

cathy.early@tax.virginia.gov

Please note a company may claim both MBFJTC and the Green Job Creation Tax Credit, the International Trade Facility Tax Credit, and the Enterprise Zone Job Creation Grant at the same facility however **not for the same jobs.*