

Virginia Department of Taxation

Historic Rehabilitation Tax Credit

Joint Subcommittee to Evaluate Tax Preferences

August 29, 2016

Legislative History

- Enacted in 1996 (HB 1453)
- Credit equal to 25% of a taxpayer's eligible expenses that incurred in the rehabilitation of a certified historic structure
- 10-year carryover; not subject to an annual cap
- Initially, could be claimed against the individual, fiduciary, and corporate income taxes
- In 1998, expanded to apply against the Bank Franchise Tax, the Insurance Premium License Tax, and the Tax on Public Service Corporations (HB 454/SB 259)
- The 1998 legislation was proposed by DHR to expand the tax credit program and increase economic activity

Credits Claimed by Tax Type

Individual/Corporate Income Tax		
Fiscal Year	Number of Returns	Amount (in millions)
FY 2008	1,037	\$39.81
FY 2009	1,094	\$62.77
FY 2010	1,452	\$64.62
FY 2011	1,359	\$46.80
FY 2012	1,154	\$59.22
FY 2013	833	\$23.53
FY 2014	932	\$27.10
FY 2015	1,021	\$43.80

Bank Franchise Tax		
Fiscal Year	Number of Returns	Amount (in millions)
FY 2008	< 4	\$0.13
FY 2009	< 4	\$0.15
FY 2010	4	\$1.18
FY 2011	5	\$1.53
FY 2012	4	\$4.96
FY 2013	4	\$1.66
FY 2014	< 4	\$0.48
FY 2015	< 4	\$2.77

Credits Claimed by Tax Type

Insurance Premiums License Tax		
Taxable Year	Number of Returns	Amount (in millions)
TY 2006	23	\$42.30
TY 2007	27	\$40.10
TY 2008	27	\$52.99
TY 2009	26	\$42.84
TY 2010	18	\$22.84
TY 2011	21	\$41.56
TY 2012	17	\$43.60
TY 2013	8	\$42.51
TY 2014	12	\$36.52

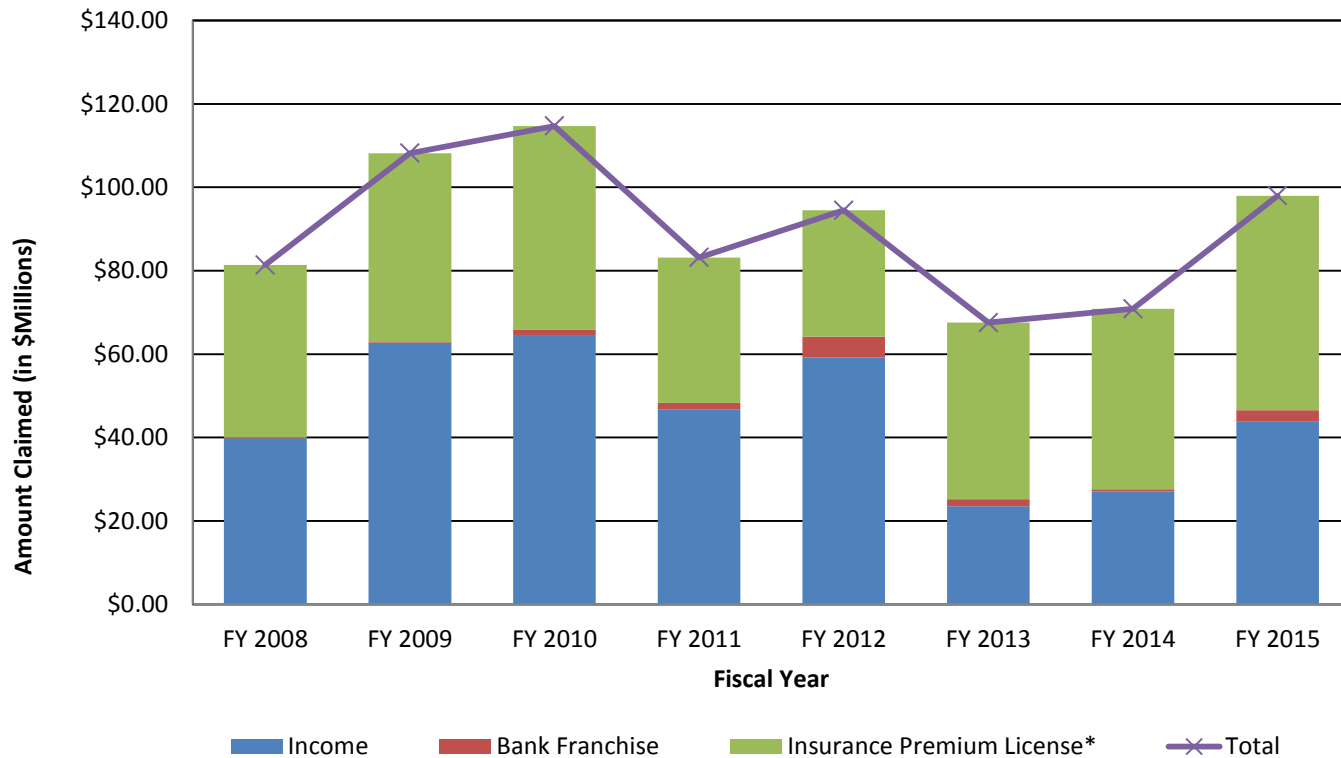
Credits Claimed by Tax Type

Historic Rehabilitation Tax Credits Claimed (in \$ Millions)				
Fiscal Year	Income Tax	Bank Franchise Tax	Insurance Premiums License Tax*	Total
FY 2008	\$39.81	\$0.13	\$41.42	\$81.36
FY 2009	\$62.77	\$0.15	\$45.25	\$108.17
FY 2010	\$64.62	\$1.18	\$48.93	\$114.72
FY 2011	\$46.80	\$1.53	\$34.84	\$83.17
FY 2012	\$59.22	\$4.96	\$30.33	\$94.50
FY 2013	\$23.53	\$1.66	\$42.38	\$67.57
FY 2014	\$27.10	\$0.48	\$43.27	\$70.86
FY 2015	\$43.80	\$2.77	\$51.42	\$98.00

*FY insurance amount is an estimate from FY 2008 through FY 2014, based on the percentage of TY 2013 credits claimed during FY 2015

Credits Claimed by Tax Type

Historic Rehabilitation Tax Credits Claimed



Credits Claimed by Income Level

FY 2015 Credit Amounts by Federal Income Level			
Federal Adjusted Gross Income	Number of Returns	Total Credit Amount	Average Credit Claimed
Less than \$50,000	64	\$100,347	\$1,568
\$50,000 to \$99,999	102	\$258,900	\$2,538
\$100,000 and more	849	\$41,780,382	\$49,211
Total	1,015	\$42,139,629	\$41,517