

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 509

An Act to amend and reenact § 58.1-439.12:05 of the Code of Virginia, relating to green job creation tax credit.

[H 2178]

Approved March 24, 2023

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-439.12:05 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-439.12:05. Green and alternative energy job creation tax credit.

A. For taxable years beginning on or after January 1, 2010, but before January 1, 2025, a taxpayer shall be allowed a credit against the tax levied pursuant to § 58.1-320 or 58.1-400 for each new green job created within the Commonwealth by the taxpayer. The amount of the annual credit for each new green job shall be \$500 for each annual salary that is \$50,000 or more. The credit shall 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 the job is continuously filled during the respective taxable year. Each taxpayer qualifying under this section shall be allowed the credit for up to 350 green jobs.

B. As used in this section:

"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, *methane extracted in Planning District 2*, geothermal heating systems, solar heating systems, hydropower systems, wind systems, and biomass and biofuel systems. The Secretary of Commerce and Trade shall develop a detailed definition and list of jobs that qualify for the credit provided in this section and shall post them on his website.

"Job" means employment of an indefinite duration of an individual whose primary work activity is related directly to the field of renewable, alternative energies and for which the standard fringe benefits are paid by the taxpayer, requiring a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of such taxpayer's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Positions created when a job function is shifted from an existing location in the Commonwealth shall not qualify as a job under this section.

C. To qualify for the tax credit provided in subsection A, a taxpayer shall demonstrate that the green job was created by the taxpayer, and that such job was continuously filled in the Commonwealth during the respective taxable year.

D. The amount of the credit that may be claimed in any single taxable year shall not exceed the taxpayer's liability for taxes imposed by this chapter for that taxable year. If the amount of credit allowed under this section exceeds the taxpayer's tax liability for the taxable year in which the green job was continuously filled, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

E. Credits granted to a partnership, limited liability company, or electing small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in proportion to their ownership or interest in such business entities.

F. If the taxpayer is eligible for the tax credits under this section and creates green jobs in an enterprise zone, as defined in § 59.1-539, such taxpayer may also qualify for the benefits under the Enterprise Zone Grant Program (§ 59.1-538 et seq.).

G. A taxpayer shall not be allowed a tax credit pursuant to this section for any green job for which the taxpayer is allowed (i) a major business facility job tax credit pursuant to § 58.1-439 or (ii) a federal tax credit for investments in manufacturing facilities for clean energy technologies that would foster investment and job creation in clean energy manufacturing.

2. That the provisions of this act shall apply to taxable years beginning on and after January 1, 2023.