

Virginia Slashes Incentive Threshold Requirements

As in many other jurisdictions, Virginia lowered its expectations of incentive applicants on March 24 with the passage of S 1379. Formerly, the Governor's Development Opportunity Fund required \$10M of investment and the creation of 100 jobs, now it requires only \$5M and 50 jobs.

Recognizing the importance of capital investment and the realities of global competition, it also allows for consideration of lower job creation commitments in the case of extraordinary capital investment and lower job and investment commitments in areas with higher unemployment and poverty rates.

The Fund is available to the Governor to secure a business location or expansion project for Virginia. Grants are awarded to localities on a local matching basis with the expectation that the grant will result in a favorable location decision for the Commonwealth.

Monies may be used for such things as public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an Industrial Development Authority, Housing and Redevelopment Authority, or other political subdivision pursuant to its duties or powers; training; or anything else permitted by law.

Virginia Authorizes Refundable R&D Credit

Taxpayers may apply for a refundable Virginia Research and Development Credit under newly signed S 1326.

The new credit is for tax years beginning on or after January 1, 2012, but before January 1, 2017 and is limited to \$5M in total allocation per year. If the total requested by applications received and approved is less than the annual \$5MM, the overage will be given on a prorated basis to the approved applicants.

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