

Virginia Laws and Incentives for Tax Incentives

The list below contains summaries of all Virginia laws and incentives related to Tax Incentives.

State Incentives

Biodiesel Production Tax Credit

Qualified biodiesel and green diesel producers are eligible for a tax credit of \$0.01 per gallon of biodiesel or green diesel fuels produced. This credit is available for producers who generate up to two million gallons of biodiesel or green diesel fuel per year. The annual credit may not exceed \$5,000, and producers are only eligible for the credit for the first three years of production. The Virginia Department of Mines, Minerals and Energy must certify qualified producers. For more information, see the [Virginia Department of Taxation](#) website. (Reference [Virginia Code](#) 58.1-439.12:02)

Alternative Fuel Job Creation Tax Credit

Businesses involved in alternative fuel vehicle (AFV) and component manufacturing, alternative fueling equipment component manufacturing, AFV conversions, and advanced biofuels production are eligible for a job creation tax credit of up to \$700 per full-time employee. The credit is allowed in the taxable year in which the job is created and in each of the two succeeding years in which the job is continued. Qualified AFVs include vehicles that operate using natural gas, propane, hydrogen, electricity, or advanced biofuels. This credit is effective for taxable years through December 31, 2014. For more information, see the [Virginia Department of Taxation](#) website. (Reference [Virginia Code](#) 58.1-439.1)

Green Jobs Tax Credit

Qualified employers are eligible for a \$500 tax credit for each new green job created that offers a salary of at least \$50,000, for up to 350 jobs per employer. The credit is allowed for the first five years that the job is continuously filled. For the purposes of this tax credit, a green job is defined as employment in industries relating to renewable or alternative energy, including hydrogen and fuel cell technology, landfill gas, and biofuels. The tax credit expires on January 1, 2015. For more information, see the [Virginia Department of Taxation](#) website. (Reference [Virginia Code](#) 58.1-439.12:05)

Ethanol Production Equipment Tax Exemption

A county, city, or town may exempt, partially exempt, or set a lower tax rate for qualified equipment used by farmers or farm cooperatives to produce ethanol, provided that the ethanol feedstock consists primarily of farm products. (Reference [Virginia Code](#) 58.1-3505)

Alternative Fuel Tax Exemption

Alternative fuel is exempt from taxes if it is sold to a government entity for its exclusive use, sold to a nonprofit charitable organization for the purpose of providing charitable services for low-income medical patients, or produced by an agricultural operator and used exclusively for farm use or vehicles of that operator. (Reference [Virginia Code](#) 58.1-2250)

The AFDC is a resource of the U.S. Department of Energy's Clean Cities program.