

**VIRGINIA  
Form BRU**

**Application for Barge and  
Rail Usage Tax Credit**

**Tax Year**  
\_\_\_\_\_

Submit this form by April 1.

This credit must be approved before being claimed on your return. See instructions for details.  
Your shipments must be validated by the Virginia Port Authority (VPA) before filing this form.

Business Name		FEIN or SSN	
Trading As		Office Use Only	
Street Address			
City, State, ZIP Code		Email Address	
Contact Name	Phone Number	Fax Number	

Entity Type: (Check One)     Sole Proprietor     C Corporation     S Corporation     Fiduciary  
 Partnership     LLC     Other \_\_\_\_\_

The Barge and Rail Usage Tax Credit is an income tax credit for the usage of barge and rail to move cargo containers throughout the Commonwealth rather than using trucks or other motor vehicles on the Commonwealth's highways. To qualify for this credit, an international trade facility must have an ownership interest in the cargo and control the choice of transportation. The amount of the credit is \$25 per 20-foot equivalent unit (TEU), one unit of roll-on/roll-off cargo or 16 tons of noncontainerized cargo moved by barge or rail.

To receive this credit, an international trade facility is required to apply to the Department. No more than \$500,000 in tax credits can be issued in any fiscal year. The Department will determine the allowable credit amount for the taxable year and provide a written certification of the credit amount to each taxpayer. Taxpayers can claim this credit against the individual income tax, the corporate income tax, the tax on estates and trusts, the bank franchise tax, the insurance premiums license tax, and the tax on public service corporations.

1. Do you have an ownership interest in the cargo AND control the choice of transportation for the cargo listed on Line 2?  
 Yes                      OR                       No, these containers do not qualify

See the instructions for Lines 2 and 3 to convert roll-on/roll-off cargo or noncontainerized cargo to TEUs.

2. Number of TEUs moved by barge or rail rather than by truck or other motor vehicle on Virginia's highways during the taxable year for which you are applying for the credit (enclose validation summary from VPA).....  
3. Number of TEUs moved by barge or rail rather than by truck or other motor vehicle on Virginia's highways during the taxable year prior to the year for which you are applying for the credit (enclose validation summary from VPA). NOTE: If prior year combined total TEUs are greater than current year, you do not qualify for the credit.....

Barge	Rail	Combined Total

4. Subtract Combined Total of Line 3 from Combined Total of Line 2 .....  
5. Amount of credit requested. Multiply Line 4 by \$25 ..... \$ .....00

**Declaration** I (we) the undersigned declare, under the penalties provided by law, that this form (including any accompanying schedules, statements, and enclosures) has been examined by me (us) and is, to the best of my (our) knowledge and belief, a true, correct, and complete application, made in good faith pursuant to the income tax laws of the Commonwealth of Virginia.

Authorized Signature	Title	Date
Printed Name	Phone Number	
Email Address	Fax Number	

**File Form BRU no later than April 1 for credits earned the preceding year.**

**Form BRU  
Schedule A**

**Barge and Rail Usage  
Tax Credit Schedule**

**Tax Year**

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Name as It Appears on Form BRU	FEIN or SSN
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- This Schedule is only for shipments made through non-VPA owned ports or other shipments not listed on the validation summary from VPA.
- Every applicant must submit its VPA validation summaries (current/prior year). DO NOT INCLUDE ANY CONTAINERS LISTED IN THE VALIDATION SUMMARY on Schedule A.
- Copies of Schedule A can be submitted if additional space is needed.

Date Cargo Container Shipped	Container Size	Container Number	Bill of Lading #	Terminal
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

# Instructions for Form BRU, Application for Barge and Rail Usage Tax Credit

## **General Information**

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An income tax credit is allowed for transporting cargo containers by barge and rail. The amount of the credit is \$25 per 20-foot equivalent unit (TEU), 16 tons of noncontainerized or 1 unit of roll-on/roll-off cargo moved by barge or rail rather than by trucks or other motor vehicles on Virginia's highways. The credit may only be claimed for the number of containers (or the amount of noncontainerized cargo or units of roll-on/roll-off cargo) shipped by barge or rail in excess of the number of containers (or the amount of noncontainerized cargo or units of roll-on/roll-off cargo) shipped by barge or rail by the taxpayer during the preceding taxable year. For purposes of this credit, a 40-foot or 45-foot container is equivalent to 2 TEUs. Containers for which this credit is claimed must result from a diversion of shipments from the Commonwealth's highways.

To receive a credit, an international trade facility is required to apply to the Department. No more than \$500,000 in tax credits can be issued in any fiscal year. If the amount of tax credits requested exceeds \$500,000, the credits will be allocated proportionately among all qualified taxpayers. The Department will determine the allowable credit amount for the taxable year and provide a written certification to each taxpayer.

Taxpayers can claim this credit against the individual income tax, the corporate income tax, the tax on estates and trusts, the bank franchise tax, the insurance premiums license tax, and the tax on public service corporations. Any unused tax credits may be carried over for 5 taxable years. Any amount of credit attributable to a partnership, S corporation, or limited liability company must be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in the business entity.

For purposes of this credit, an "international trade facility" is a company that is doing business in Virginia and is engaged in port-related activities, including but not limited to warehousing, distribution, freight forwarding and handling, and goods processing; has the sole discretion and authority to move cargo in containers originating or terminating in Virginia; uses maritime port facilities located within the Commonwealth; and undertakes activities that result in using a barge or rail to move cargo containers rather than using trucks or other motor vehicles on a highway. To qualify for this

credit, an international trade facility must have an ownership interest in the cargo and control the choice of transportation.

The credit is effective for taxable years beginning on and after January 1, 2011, but before January 1, 2022. No tax credits can be issued after the fiscal year ending June 30, 2022.

## **Instructions for Lines 2 and 3**

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For purposes of this credit, a unit of roll-on/roll-off cargo or 16 tons of noncontainerized cargo is equivalent to 1 TEU. If you are claiming this credit for noncontainerized cargo, convert the tonnage to TEUs and enter the number of TEUs on Lines 2 and 3.

## **What to Enclose**

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You must complete and enclose your validation summaries (current and previous taxable years) from the VPA. Additionally, Schedule A should be submitted for shipments not listed on the VPA validation summary or shipped through non-VPA owned ports. In the "Container Size" column, indicate whether the container is a 20-foot, 40-foot, or 45-foot container, or state the amount of noncontainerized cargo. For purposes of this credit, a 40-foot or 45-foot container is equivalent to 2 TEUs, and a unit of roll-on/roll-off cargo or 16 tons of noncontainerized cargo is equivalent to 1 TEU. Copies of Schedule A can be submitted if additional space is needed.

Taxpayers should retain all supporting documentation, such as bills of lading that show the amount of cargo that was shipped and the date of shipment.

## **When to Submit Application**

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Form BRU and any supporting documentation must be completed and mailed no later than April 1 for credits earned the preceding year.

For any application received without a postmark, the date received by the Department will be used to determine if the application was received by the filing deadline.

## **Where to Submit Application**

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Submit Form BRU and enclosures to the Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715 or fax it to (804) 774-3902.

## **What to Expect from the Department**

If the Department needs additional information we will contact you by May 1 and you will have until May 15 to respond. If you have not received acknowledgment of your application by May 31, call (804) 786-2992.

The Department will issue the credit by June 30. If you have not received your credit certification by July 15, call (804) 786-2992.

## **What Does the Taxpayer Need to Do**

Upon receiving notification of the allowable credit amount, taxpayers may claim the allowable credit amount on the applicable Virginia income tax return and compute any carryover credit amount.

As an enclosure with their return, a corporation must file Schedule 500CR; an individual must file Schedule CR; and a pass-through entity must file Schedule 502ADJ.

## **IMPORTANT**

All business taxpayers should be registered with the Department before completing Form BRU. If you are not registered, complete Form R-1.

If the tax return upon which this credit will be claimed is due on or before May 1, you may need to either submit an extension payment for any tax due or file an amended return once you have received the credit certification.

## **Pass-Through Entities**

In order to allocate the credit to the partners, shareholders, or members, each pass-through entity must file Form PTE with the Department within 30 days after the credit is granted. This information should be sent to: Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715 OR you may fax it to (804) 774-3902. Do not do both.

Credit must be allocated among owners in proportion to each owner's percentage of ownership or participation in the pass-through entity.

All pass-through entities distributing this credit to their owners, shareholders, partners or members must give each a Schedule VK-1, Owner's Share of Income and Virginia Modifications and Credits.

## **Where to Get Help**

Write the Virginia Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715 or call (804) 786-2992. If you need assistance completing the VPA Validation Report please call (757) 391-6235 or you may email [Helpdesk@vit.org](mailto:Helpdesk@vit.org). For assistance with the container and cargo verification process, contact the Virginia Port Authority at (757) 391-6235 or [Helpdesk@vit.org](mailto:Helpdesk@vit.org).