

Application for Port Volume Increase Tax Credit

Submit this form by March 1.
This credit must be approved **before** being claimed on your return.
See instructions for details.

Name		FEIN or SS#
Trading As		Contact Name
Street Address		NAICS Code
City, State, ZIP Code		Office Use Only
Phone Number	FAX Number	Email

Entity Type: (Check One) Sole Proprietor C Corporation S Corporation
 Partnership LLC Other _____

Port Volume Increase tax credit is an income tax credit for taxpayers engaged in the manufacturing of goods or the distribution of manufactured goods, agricultural entities, or mineral or gas entities that use public or private port facilities located in Virginia and increase port cargo at these facilities by a minimum of 5% in a single calendar year over their base year cargo volume. Credit is \$50 per TEU or cargo in excess of the base year cargo*; tonnage conversion rate is 16 short tons = 1 TEU; and 1 piece of roll-on/roll-off cargo = 1 TEU.

*Volume increase requirement waived for a new major facility. This is a facility to be located in Virginia that is projected to import/export cargo through a Virginia port in excess of 25,000 TEUs or pieces roll on/roll off cargo in its first calendar year. For a major facility: credit is \$50 per TEU during the major facility's 1st calendar year.

To receive this credit, taxpayers are required to apply to the Virginia Port Authority (VPA). The maximum amount of Port Volume Increase Tax Credits for all qualifying taxpayers is limited to \$3.2 million for each calendar year. VPA 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 Virginia individual or corporate income tax.

1. The amount of base year (previous tax year) port cargo volume (in TEUs) _____
2. Total volume in TEUs during the taxable year for which you are applying for the credit (see conversion above) _____
3. Subtract line 1 from line 2. This is your net volume increase. _____
4. Amount of credit requested. Multiply Line 3 by \$50

Declaration I (we) the undersigned declare, under the penalties provided by law, that this form (including any accompanying schedules, statements, and attachments) 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	
E-mail Address	FAX Number	

File Form PVI and supporting documentation no later than March 1 for credits earned the preceding year.

Instructions for Application for Port Volume Increase Tax Credit

General Information

Port Volume Increase is an income tax credit for taxpayers engaged in the manufacturing of goods or the distribution of manufactured goods, agricultural entities, or mineral or gas entities that use public or private port facilities located in Virginia and increase port cargo at these facilities by a minimum of 5% in a single calendar year over their base year cargo volume. Base year is either the previous tax year or the first year the taxpayer ships either 10 TEUs, 10 pieces of roll-on roll-off cargo, or 75 net short tons of noncontainerized cargo. The amount of the credit is equal to \$50 for each 20-foot equivalent unit (TEU) above the base year port cargo volume. For purposes of determining the credit, One piece of roll-on/roll-off count as 1 TEU, 40 and 45 foot equivalent units count as 2 TEUs and the noncontainerized cargo conversion is 16 short tons = 1 TEU. This conversion rate is only for the purpose of determining credit and does not apply for the purpose of meeting the base year minimum threshold. A taxpayer can claim this credit against the income tax or corporate income tax.

A qualifying taxpayer that is a major facility is allowed an individual and corporate income tax credit equal to \$50 for each TEU transported through a port facility during the major facility's first calendar year.

To apply for credits under this bill, taxpayers must submit an application to the Virginia Port Authority by March 1 of the calendar year after the calendar year in which the increase in port cargo volume occurs. Late applications cannot be accepted. The maximum amount of credits allowed for all qualifying taxpayers is \$3.2 million for each calendar year. If the amount of credits requested exceeds \$3.2 million, the credits will be allocated on a pro rata basis.

A qualifying taxpayer cannot generally receive more than \$250,000 for each calendar year. However, if on March 15 of each year, the amount of credit is not fully allocated among qualifying taxpayers, any taxpayers who were allocated a credit would be allowed a pro rata share of the remaining credit.

The credit is effective for taxable years beginning on and after January 1, 2011, but before January 1, 2022.

What to Attach

You must complete and attach Schedule A. You must also complete the container/cargo verification form for base year and tax year located on the Virginia Port Authority website: www.PortofVirginia.com if the product moved through a Virginia Port Authority-operated marine terminal (Norfolk International Terminals, APM Terminals, Portsmouth Marine Terminal, or Newport News Marine Terminal). You must print the summary sheet for the base year and the current taxable year and attach them to this application. For IT technical support for the container/cargo volume verification process, please call (757) 391-6235 or Helpdesk@vit.org. Any containers/cargo that moved through a facility NOT operated by the Virginia Port Authority must be documented on Schedules B and C.

Taxpayers should retain all supporting documentation, such as bills of lading and booking documents.

When to Submit Application

Form PVI and any supporting documentation must be completed and mailed to the Virginia Port Authority **no later than March 1** for credits earned the preceding year.

Where to Submit Application

Submit Form PVI and attachments to the **Virginia Port Authority, ATTN: Port Volume Increase Tax Credit, 600 World Trade Center, Norfolk, VA 23510**, fax it to **(757) 683-8211**, or email to aouellette@portofvirginia.com.

What to Expect from the Virginia Port Authority

All applicants should receive a letter acknowledging their PVI application. If you have applied by the March 1 deadline and have not received an acknowledgment letter from us by April 5, please call **(855) 771-3990 toll free**. The Virginia Port Authority will review all applications for completeness and notify taxpayers of any errors by April 5. If any additional information is needed, it must be provided no later than May 5 in order to be considered for the tax credit. All eligible taxpayers shall be notified by May 30 as to the allowable credit amount that may be claimed.

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 attachment to their return, a corporation must file Form 500CR; an individual must file Schedule CR; a pass-through entity must file Form 502-ADJ.

IMPORTANT

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

Taxpayers who do not receive notification of allowable credit amounts before their Virginia income tax return due date may file during the extension period or file their regular return without the credit and then file an amended tax return after receipt of notification of the allowable credit amount to claim the tax credit.

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 of Taxation 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 **804-786-2800**. Please do not do both.

All pass-through entities distributing this credit to its owner(s), 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

For assistance with the PVI application, write the **Virginia Port Authority, ATTN: Port Volume Increase Tax Credit, 600 World Trade Center, Norfolk, VA 23510** or call **(855) -771-3990 toll free**.

For IT technical help with the container/cargo verification process located on the Virginia Port Authority website: www.PortofVirginia.com, call **(757) 391-6235** or e-mail Helpdesk@vit.org.