

**Virginia  
Form RMC**

**Application for Recyclable Materials  
Processing Equipment Tax Credit**

**Tax Year**

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Submit this form by June 1.

*This credit must be approved before being claimed on your return. See the instructions for details.*

**IMPORTANT:** All applicants must apply for certification from the Department of Environmental Quality prior to March 1. Please see the instructions for more details.

Part I – Taxpayer Information			
Name		FEIN	
Trading As/Business Name		NAICS Code	
Street Address			
City, State, ZIP Code		Email Address	
Contact Name	Phone Number	Fax Number	
<b>Entity Type:</b> (Check One) <input type="checkbox"/> C Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Other _____			

Part II – Credit Calculation	
<b>1. Enter amount paid for machinery and equipment used:</b> (i) predominantly to manufacture, process, compound, or produce items of tangible personal property from recyclable materials, or (ii) predominantly in or on the premises of facilities that are predominantly engaged in advanced recycling.....	<b>.00</b>
<b>2. If you intend to capitalize machinery and equipment that qualifies for the credit, enter the amount of any original total capitalized costs incurred in the year of purchase to make the machinery and equipment operational. ....</b>	<b>.00</b>
<b>3. Total amount paid.</b> Add Lines 1 and 2 and enter here.....	<b>.00</b>
<b>4. Total credit requested.</b> Multiply Line 3 by 20% (0.2). Round to the nearest whole dollar .....	<b>.00</b>

**Part III – Declaration and Signature**

*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. If a person other than the taxpayer prepares this application, such declaration is based on all information of which he or she has knowledge.*

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

# Instructions for Form RMC

## Application for the Recyclable Materials Processing Equipment Tax Credit

### General Information

The Recyclable Materials Tax Credit may be claimed against individual and corporate income taxes for certain equipment and machinery purchases. For taxable years beginning on or after January 1, 2020, but before January 1, 2025, the tax credit amount is equal to 20% of the purchase price paid during the taxable year for:

- (i) machinery and equipment used predominantly in or on the premises of manufacturing facilities or plant units which manufacture, process, compound, or produce items of tangible personal property from recyclable materials, within the Commonwealth, for sale and
- (ii) machinery and equipment used predominantly in or on the premises of facilities that are predominantly engaged in advanced recycling.

The credit amount that may be claimed cannot exceed 40% of the taxpayer's Virginia income tax liability for the taxable year in which the credit is being claimed. For purposes of determining "purchase price paid," the taxpayer may use the original total capitalized cost of the machinery and equipment, less capitalized interest.

The total amount of tax credits available to all taxpayers for a fiscal year cannot exceed \$2 million. If applications for this credit exceed \$2 million, the Department of Taxation will allocate the credits on a pro rata basis. Any credit amounts that exceed a taxpayer's liability can be carried forward for 10 years. Credits attributable to a partnership, S corporation, or LLC will be allocated to the individual partners, shareholders, or members in proportion to their ownership or interest in the business entity.

### Definitions

**"Purchase price paid"** consists of:

- The amount actually paid for machinery and equipment that qualifies for the credit in the year of the purchase; or
- If you intend to capitalize machinery and equipment that qualifies for the credit, an amount equal to the original total capitalized cost of the machinery and equipment minus any capitalized interest related to the machinery and equipment.

**"Original total capitalized costs"** include both the purchase price of machinery or equipment that is capitalized for federal income tax purposes, and any capitalized costs incurred in the year of purchase to acquire or produce the

machinery or equipment. **"Original total capitalized costs"** do not include costs that are incurred in a year other than the year of purchase or costs that are not capitalized. When determining the purchase price for machinery or equipment, subtract any capitalized interest related to the purchase from the original total capitalized cost of the machinery or equipment.

**"Advanced recycling"** is the operation of a single-stream or multi-stream recycling plant that converts waste materials into new materials for resale by processing them and breaking them down into their raw constituents. **"Advanced recycling"** includes the operation of a materials recovery facility or materials reclamation facility that receives, separates, and prepares recyclable materials for sale to end-user manufacturers.

### IMPORTANT

All applicants must receive certification from the Department of Environmental Quality (DEQ) prior to applying with the Department of Taxation. All applications for certification must be filed with DEQ by March 1. Please see Form 50-11S and accompanying instructions, available via the DEQ website, [www.deq.virginia.gov](http://www.deq.virginia.gov). For assistance with Form 50-11S, call: **(804) 698-4145**.

All business taxpayers should be registered with the Department of Taxation before completing Form RMC. 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 June 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.

### When to Submit Application

Form RMC and any supporting documentation must be completed and mailed to the Department of Taxation no later than June 1. For any application received without a postmark, the date received by the Department will be used to determine if the application was received by June 1.

### What to Enclose

To allow us to process this application, provide the following:

- Copies of certification of the machinery and equipment from DEQ.
- Proof of purchase of certified machinery and equipment, such as an invoice or receipt.
- Summary of all other capitalized cost to make the machinery and equipment operational. This summary should include a date of service, description, and cost.

## Where to Submit Application

Submit Form RMC and any 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 of Taxation needs additional information, we will contact you by August 1 and you will have until August 15 to respond. If you have not received acknowledgement of your application by June 30, call **(804) 786-2992**. The Department will issue the credit by September 1. If you have not received your credit certification by September 15, please call **(804) 786-2992**.

**NOTE:** By providing an email address on the form, the taxpayer consents to allow emailed communications from the Virginia Department of Taxation related to this tax credit application. If the taxpayer does not wish to receive electronic communications, do not enter an email address in the space provided on the form.

## What the Taxpayer Needs to Do

Upon receiving notification of the allowable credit amount, taxpayers may claim the allowable credit amount on the applicable Virginia income tax return. 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, a corporation must file Schedule 500CR; an individual must file Schedule CR; and a pass-through entity must file Schedule 502ADJ.

## Pass-Through Entities

Each pass-through entity must file **Form TCA** with the Department when allocating this credit to its participants. Form TCA should be filed within 30 days after the credit is granted, but at least 90 days prior to the participants filing their income tax returns. Failure to file Form TCA may result in the credit claim being disallowed and/or a delay in processing the participant's return. Form TCA 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 its participants, including owners, shareholders, partners, or members must give each such participant a Schedule VK-1, Owner's Share of Income and Virginia Modifications and Credits.

## Where To Get Help

Write to the **Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715** or call **(804) 786-2992**.