

DRAFT FORM — NOT FOR FILING

This draft form has been updated to include the most recent changes effective for Tax Year 2025 Virginia returns. If legislative changes or issues arise, we will post a new version of this draft form.

Please continue to monitor tax.virginia.gov/early-release-forms for future drafts of this form. Once forms are final, we will post them on our website at tax.virginia.gov/forms.

Virginia Form ITF

International Trade Facility Tax Credit Recapture Form

Tax Year _____

Use this form to determine if part or all of the International Trade Facility Tax Credit must be recaptured. Complete and mail by April 1 each year for the 5 years following the year during which the credit originated.

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

PORT JOB TAX CREDIT RECAPTURE COMPUTATION

☐ **YEARS 2 – 6** Check this box and indicate the year if you are reporting employee totals for a prior year Port Job Tax Credit. Complete Lines 1 - 3 and Schedule A.

Tax year of the original credit

Filing Sequence: ☐ 2nd Year ☐ 3rd Year ☐ 4th Year ☐ 5th Year ☐ 6th Year

1. Number of qualified full-time employees reported in Year 1.

2. Average number of full-time employees reported during the current year - Schedule A . .

3. Credit Recapture - If Line 2 is greater than or equal to Line 1, no action is needed.
If Line 1 is greater than Line 2, the credit reported in Year 1 must be reduced.
Subtract Line 2 from Line 1.

NOTE: The Department will notify you regarding your adjusted carryforward and whether a bill will be forthcoming.

Declaration and Signature

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	Printed Name	Title	Date
Preparer Name	Preparer Email Address (Optional)	Preparer Phone Number	

**Form ITF
Schedule A**

List of Qualifying Full-Time Employees

Complete if applying for a Port Job Tax Credit

- Enclose a list of all full-time employees used to qualify for this credit.
- List must be in the format shown in the sample below.

Two or more affiliated companies may elect to aggregate the number of jobs created for qualified full-time employees as the result of the establishment or expansion by the individual companies to qualify for this credit. "Affiliated companies" means two or more companies related to each other such that one company owns at least 80% of the voting power of the other (or others) or at least 80% of the voting power of two or more companies is owned by the same interests. For each month, enter the total number of qualifying full-time employees on Schedule A.

Each qualifying full-time position must:

- (a) be of indefinite duration, created by the taxpayer after establishing or expanding an international trade facility in Virginia; and
- (b) require a minimum of 35 hours per week for the entire year (minimum of 48 weeks); **or**
- (c) require a minimum of 35 hours a week for the portion of the taxable year in which the employee was initially hired for, or transferred to, the international trade facility in Virginia.

In addition to including your name as it appears on the Form ITF, your FEIN or Social Security Number, and the location of your international trade facility, your list must include the following columns:

Columns A and B: Enter the name and Social Security Number of each qualifying employee. If claiming a qualifying employee of an affiliated company (see paragraph above), make a notation beside each such employee in Column A and enclose a separate schedule showing the corresponding affiliated company.

Column C: Enter the number of **full months** that the employee was employed in a qualifying position during the credit year.

Column D: Enter a brief position description for the qualifying employee and provide the position number.

	Column A Employee Name (Use Additional Schedules as Necessary)	Column B Social Security Number	Column C Number of Full Months Employed During the Credit Year	Column D Brief Position Description / Number
1				
2				
3				
4				
5				
6				
7				

Instructions for Form ITF

International Trade Facility Tax Credit Recapture Form

General Information

Effective for taxable years beginning on or after January 1, 2025, the International Trade Facility Tax Credit has expired. No new tax credits are allowed, however, carryover credits and recapture credits still apply.

There is a 10-year carryforward provision for any unused credits. Unused credits may be claimed and carry forward balances maintained on Schedules CR and 500CR.

Port Job Tax Credit

Credit Recapture

Part or all of the Port Job Tax Credit may be recaptured. If the number of qualified full-time employees in any of the 5 years succeeding the credit year decreases below the average number of qualified full-time employees employed during the credit year, the credit is recaptured by recomputing the credit which was earned for the original credit year using the decreased number of qualified full-time employees and subtracting the recomputed credit amount from the amount of credit previously earned. If the average number of qualifying full-time employees employed at an international trade facility falls below the amount employed by the taxpayer prior to claiming any credits in any of the 5 taxable years succeeding the credit year, all credits earned with respect to the international trade facility are recaptured. Any recapture first reduces credits earned but not yet allowed and credits allowed but carried forward before it increases a taxpayer's tax liability.

Definitions

International Trade Facility

An "international trade facility" is defined as a company that is engaged in port-related activities, including, but not limited to, warehousing, distribution, freight forwarding and handling, and goods processing; uses maritime port facilities located in the Commonwealth of Virginia; and transports at least 5% more cargo, measured in (i) 1 International Organization for Standardization ocean container, with a minimum 20-foot length, (ii) 16 tons of noncontainerized cargo, or (iii) 1 unit of roll-on/roll-off cargo through any publicly or privately owned cargo facility located within the Commonwealth through which cargo is transported during the taxable year than was transported by the company through such facilities during the preceding taxable year. Export cargo must be loaded on a barge or ocean-going vessel and import cargo must be discharged from a barge or ocean-going vessel at such facility.

Qualified Full Time Employee

A "qualified full-time employee" is defined as an employee filling a new, permanent full-time position in an international trade facility in the Commonwealth. A "new, permanent full-time position" is defined as a job of indefinite duration, created by the company as a result of the establishment or expansion of an international trade facility in the Commonwealth, requiring a minimum of 35 hours of work per week for the entire normal year. A "normal year" is defined as at least 48 weeks in a calendar year. Seasonal and temporary positions; jobs created by shifting a job function from elsewhere in the Commonwealth; and positions ancillary to the principal activities performed by employees at international trade facilities do not qualify as new, permanent full-time positions. No credit is allowed for the same jobs for which a Major Business Facility Job Tax Credit was claimed pursuant to Va. Code § 58.1-439.

No credit is permitted for any employee for whom a credit under this section was previously earned by a related party or trade or business under common control.

What to Enclose

Port Job Tax Credit Enclosure

Applicants filing for years 2-6 must complete Schedule A.

When to Submit Application

For each credit earned, you must submit an updated Form ITF by April 1 each year for the 5 years following the year during which the credit originated.

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 Form ITF

Submit Form ITF and enclosures to the **Virginia 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 acknowledgement of your filed Form ITF by May 31, call **(804) 786-2992**.

What Does the Taxpayer Need to Do

Upon receiving notification from the Department of any adjusted credit amounts, taxpayers should update their records for current and future filings.

Important 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. If the taxpayer does not wish to receive electronic communications, do not enter an email address in the spaces provided on the form.

Where to Get Help

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

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