



## RECYCLING INVESTMENT TAX CREDIT

Effective for taxable years beginning before January 1, 2020, manufacturers may claim a corporate income tax credit in the amount of 20 percent of the purchase price paid during the taxable year for 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. For purposes of determining the purchase price paid, a taxpayer may use the original total capitalized cost of such machinery and equipment, less capitalized interest.

The total tax credit allowed cannot exceed 40 percent of the taxpayer's Virginia income tax liability (computed prior to claiming the credit). The unused credit may be carried forward up to 10 years. The Virginia Department of Environmental Quality must certify that the eligible equipment is integral to the recycling process before a taxpayer may claim this credit. The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed \$2 million for each fiscal year.