

# The Port of Virginia— Incentives

## Port of Virginia Economic and Infrastructure Development (POV) Grant

A business entity that meets all four criteria listed below may be eligible for a cash grant from the POV Grant per [Section 62.1-132.3:2](#) of the Code of Virginia, subject to appropriation, until June 30, 2025:

- Locates or expands a facility within the Commonwealth of Virginia
- Creates at least 25 new, permanent full-time positions for qualified full-time employees at a facility within Virginia from commencement of the project through the first full year of operation or during the year when expansion occurs
- Is involved in maritime commerce, or exports or imports manufactured goods through the Port of Virginia
- Is engaged in one or more of the following: distribution, freight forwarding, freight handling, goods processing, manufacturing, warehousing, crossdocking, transloading, or wholesaling of goods exported and imported through the Port of Virginia; ship building and ship repair; dredging; marine construction; or offshore energy exploration and extraction

The amount of the grant is calculated by the following formula, subject to a maximum amount of \$500,000 per year:

- 25-49 new jobs: \$1,000 per job
- 50-74 new jobs: \$1,500 per job
- 75-99 new jobs: \$2,000 per job
- 100 + new jobs: \$3,000 per job

To receive the grant, a qualifying company must apply to the Virginia Port Authority not later than March 31st in the year immediately following the first full year of operation or expansion within Virginia. The qualifying company must also agree to



## Port of Virginia Facts

- Port of Virginia facilities: Newport News Marine Terminal, Norfolk International Terminals, Portsmouth Marine Terminal, Virginia Inland Port, Virginia International Gateway, Richmond Marine Terminal, and Craney Island
- In 2019, Port of Virginia cargo movements via: truck 63%, rail 34%, and barge 3%
- 50-foot channels and berths
- Zero air-draft restrictions
- Only U.S. East Coast port with congressional authorization for 55-foot depth channels
- 33% of cargo arrives and departs the port by rail, the largest percentage of any U.S. East Coast port
- 2.5 hours to open sea
- Direct service to 45+ countries worldwide
- 15 weekly vessel calls to and from Asia
- 13 weekly vessel calls to and from Europe

maintain the jobs at the facility within Virginia and continue to move cargo through the Port of Virginia for each of the three years following the receipt of the grant by entering into a Memorandum of Understanding with the Virginia Port Authority. In the event that the company fails to maintain the job number or cargo moving through the Port of Virginia during any of those three years, the company may be required to pay all or a portion of the grant back to the Virginia Port Authority.

A company that has received a grant from this fund may be eligible for a second grant if it locates or expands an additional facility in a separate location within the Commonwealth, creates at least 300 new permanent jobs, and increases cargo volumes through The Port of Virginia by at least five percent.

Please note, a company may not claim the Port of Virginia Economic and Infrastructure Development Grant, the Major Business Facility Jobs Tax Credit, or the International Trade Facility Tax Credit for the same jobs.

## Virginia Port Tax Credits

### **Port Volume Increase Tax Credit ([Code of Virginia Section 58.1-439.12:10](#))**

- Tax credit for taxpayers engaged in the manufacturing of goods or the distribution of manufactured goods, agricultural entities, or mineral gas entities that use public or private port facilities located in Virginia and increase cargo volume through the facility by 5% in a single calendar year over their base year cargo volume
- The base year is either the preceding tax year or the first year a company moves 10 loaded TEUs or 75 net noncontainerized tons, or 10 units of roll on-roll off cargo through a public or private port terminal in Virginia
- 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 unit of roll-on/roll-off cargo in its first calendar year
- Credit is \$50 per TEU or one unit of roll-on/roll-off cargo in excess of the base year cargo; tonnage conversion rate is 16 tons = 1 TEU
- Major facility: credit is \$50 per TEU or unit of roll-on/roll-off cargo during the major facility's first calendar year (5% volume increase can be waived)
- Credit can be claimed against Virginia individual or corporate income tax. Available for taxable years beginning 01/01/11 but before 01/01/22; cap of \$250,000 per tax payer or more if there is excess money in the pot or less if the pot is oversubscribed; cap of \$3.2 million per calendar year; can carry remainder forward for up to five years
- Apply to the Port of Virginia using Form PVI by March 1 following the calendar year during which the credits were earned

### **Barge and Rail Usage Tax Credit ([Code of Virginia Section 58.1-439.12:09](#))**

- Tax credit for usage of barge or rail to move cargo to or from public or private port terminals in Virginia rather than by truck or other motor vehicle on Virginia's highways (must be international cargo)
- Credit is \$25 per TEU, 16 tons of noncontainerized cargo, or one unit of roll-on roll-off cargo in excess of the number of containers shipped by barge or rail by the taxpayer during the immediately preceding taxable year
- Credits can be claimed against Virginia individual income tax, corporate income tax, tax on estates and trusts, bank franchise tax, insurance premiums tax, and the tax on public service corporations
- Available for taxable years beginning on and after 01/01/11 but before 01/01/22; cap of \$500,000 per fiscal year; no cap per tax payer; can carry remainder forward for up to five years
- Apply to the Department of Taxation using Form BRU by April 1 of the year following the taxable year during which the credits were earned

**International Trade Facility Tax Credit ([Code of Virginia Section 58.1-439.12:06](#))**

- Tax credit for either creating new jobs or capital investment in an international trade facility as a result of moving 5% more cargo through a public or private port facility in Virginia than in the preceding taxable year
- Credit is either (i) \$3,500 per qualified full-time employee or (ii) an amount equal to 2% of qualified capital investment expenses made by the taxpayer to facilitate increased qualified trade activities
- Credit can be claimed against Virginia individual or corporate income tax
- Available for taxable years beginning 01/01/11 but before 01/01/22; cap of \$1.25 million per fiscal year (credits may be prorated if the fund is oversubscribed); no cap per tax payer; the amount of the credit allowed shall not exceed 50% of the tax imposed for the taxable year during which the credits were earned; any remaining credit amount may be carried forward for the next 10 taxable years
- Cannot claim the same jobs for this credit, Major Business Facility Job Tax Credit or the POV Grant; must choose one

Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website, [ExportVirginia.org](https://ExportVirginia.org).

## Additional Resources

**Port of Virginia**

[Port of Virginia](#)

**Tax Incentive Program**

[Port of Virginia](#)

**Port Stats**

[Port of Virginia](#)

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