

**VIRGINIA
Form RMC**

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

Tax Year

Submit this form by May 1.

This credit must be approved before being claimed on your return.

See the instructions for details.

Name	FEIN
Trading As/Business Name	Contact Name
Street Address	Phone Number
City, State, ZIP Code	FAX Number
North American Industry Classification System (NAICS) Code	Email Address
Entity Type: (Check One) <input type="checkbox"/> C Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Other _____	

IMPORTANT: All applicants must apply for certification from the Department of Environmental Quality prior to March 1. Please see the instructions for more details.	
1. Enter amount paid for materials and equipment used predominantly to manufacture, process, compound, or produce items of tangible personal property from recyclable materials.	1. \$.00
2. If you intend to capitalize machinery and equipment Credit that qualifies for the credit, enter the amount of any capitalized costs incurred in the year of purchase to make such machinery and equipment operational.	2. \$.00
3. Total amount paid. Add Lines 1 and 2 and enter here.....	3. \$.00
4. Total credit requested. Multiply Line 3 by 20% (0.2). Round to the nearest whole dollar...	4. \$.00

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, sentence 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	Preparer Phone Number

Application Instructions for the Recycling 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, 2015, but before January 1, 2020, the tax credit amount is equal to 20% 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 "purchase price paid," the taxpayer may use the original total capitalized cost of such machinery and equipment, less capitalized interest.

The total amount of tax credits available to all taxpayers for a calendar 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" may consist of:

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

"Capitalized costs" include any costs that may be capitalized for federal income tax purposes that are incurred in the year of purchase to make machinery and equipment that qualifies for the credit operational.

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 at: <http://www.deq.virginia.gov/Programs/LandProtectionRevitalization/Forms.aspx>. 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 May 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 May 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 May 1.

What to Attach

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 attachments 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 June 1 and you will have until June 15 to respond. If you have not received acknowledgement of your application by May 31, call 804-786-2992. The Department will issue the credit by June 30. If you have not received your credit certification by July 15, please call 804-786-2992.

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. 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 Form 500CR; an individual must file Schedule CR; and a pass-through entity must file Form 502ADJ.

Pass-Through Entities

Each pass-through entity must file Form PTE with the Department 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. 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 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

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