

**VIRGINIA  
Form BRU**

**Application for Barge and  
Rail Usage Tax Credit**

**Tax Year**

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**Submit this form by April 1.  
This credit must be approved before being claimed on your return.  
See instructions for details.**

**Your shipments must be validated by the Virginia Port Authority (VPA) before filing this form.**

Name		FEIN
Trading As		Contact Name
Street Address		Office Use Only
City, State, ZIP Code		
Phone Number	FAX Number	Email

Entity Type: (Check One)     Sole Proprietor     C Corporation     S Corporation     Fiduciary  
 Partnership     LLC     Other \_\_\_\_\_

**The Barge and Rail Usage Tax Credit** is an income tax credit for the usage of barge and rail to move cargo containers throughout the Commonwealth rather than trucks or other motor vehicles on the Commonwealth's highways. **To qualify for this credit, an international trade facility must have an ownership interest in the cargo and control the choice of transportation.** The amount of the credit is \$25 per 20-foot equivalent unit (TEU) or 16 tons of noncontainerized cargo moved by barge or rail.

To receive this credit, an international trade facility is required to apply to the Department of Taxation. No more than \$1.5 million in tax credits can be issued in any fiscal year. The Department will determine the allowable credit amount for the taxable year and provide a written certification of the credit amount to each taxpayer. Taxpayers can claim this credit against the individual income tax, the corporate income tax, the tax on estates and trusts, the bank franchise tax, the insurance premiums tax, and the tax on public service corporations.

1. Do you have an ownership interest in the cargo AND control the choice of transportation for the cargo listed on Line 2?  
 Yes    OR     No, these containers do not qualify

Barge	Rail	Combined Total

2. Number of TEUs moved by barge or rail rather than by truck or other motor vehicle on Virginia's highways during the taxable year for which you are applying for the credit (attach validation summary from VPA). See instructions for converting noncontainerized cargo to TEUs.

3. Number of TEUs moved by barge or rail rather than by truck or other motor vehicle on Virginia's highways during the taxable year prior to the year for which you are applying for the credit (attach validation summary from VPA). See instructions for converting noncontainerized cargo to TEUs.

4. Subtract Combined Total of Line 3 from Combined Total of Line 2 . . . . . \_\_\_\_\_

5. Amount of credit requested. Multiply Line 4 by \$25 . . . . . \$ \_\_\_\_\_ .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, and complete application, made in good faith pursuant to the income tax laws of the Commonwealth of Virginia.

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

**Form BRU  
Schedule A**

**Barge and Rail Usage  
Tax Credit Schedule**

**Tax Year**

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Name as it Appears on Form BRU	FEIN or Social Security Number
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Complete this schedule if claiming the Barge and Rail Usage Tax Credit.

- This Schedule is only for shipments made through non-VPA owned ports or other shipments not listed on the validation summary from VPA.
- Every applicant must submit its VPA validation summaries (current/prior year). **DO NOT INCLUDE ANY CONTAINERS LISTED IN THE VALIDATION SUMMARY on Schedule A.**
- Copies of Schedule A can be submitted if additional space is needed.

Date Cargo Shipped	Container Size	Container Number	Bill of Lading #	Terminal
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

# Instructions for Application for Barge and Rail Usage Tax Credit

## General Information

An income tax credit is allowed for transporting cargo containers by barge and rail. The amount of the credit is \$25 per 20-foot equivalent unit (TEU) or 16 tons of noncontainerized cargo moved by barge or rail rather than by trucks or other motor vehicles on Virginia's highways. For purposes of this credit, a 40-foot or 45-foot container is equivalent to two TEUs. Containers for which this credit is claimed must result from a diversion of shipments from the highways. To receive a credit, an international trade facility is required to apply to the Virginia Department of Taxation. No more than \$1.5 million in tax credits can be issued in any fiscal year. If the amount of tax credits requested exceeds \$1.5 million, the credits will be allocated proportionately among all qualified taxpayers. The Department will determine the allowable credit amount for the taxable year and provide a written certification to each taxpayer.

Taxpayers can claim this credit against the individual income tax, the corporate income tax, the tax on estates and trusts, the bank franchise tax, the insurance premiums tax, and the tax on public service corporations. Any unused tax credits may be carried over for five taxable years. Any amount of credit attributable to a partnership, S-corporation, or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in the business entity.

For purposes of this credit, an "international trade facility" is a company that is doing business in Virginia and is engaged in port-related activities, including but not limited to warehousing, distribution, freight forwarding and handling, and goods processing; has the sole discretion and authority to move cargo in containers originating or terminating in Virginia; uses maritime port facilities located within the Commonwealth; and undertakes activities that result in utilizing a barge or rail to move cargo containers rather than using trucks or other motor vehicles on a highway. **To qualify for this credit, an international trade facility must have an ownership interest in the cargo and control the choice of transportation.**

The credit is effective for taxable years beginning on and after January 1, 2011, but before January 1, 2017. No tax credits can be issued after the fiscal year ending June 30, 2017.

## Instructions for Lines 2 and 3

For purposes of this credit, 16 tons of noncontainerized cargo is equivalent to one TEU. If you are claiming this credit for noncontainerized cargo, convert the tonnage to TEUs and enter the number of TEUs on Lines 2 and 3.

## What to Attach

You must complete and attach your validation summaries (current/previous taxable years) from the VPA. Additionally, Schedule A should be submitted for shipments not listed on the VPA validation summary or shipped through non-VPA owned ports. In the "Container Size" column, indicate whether the container is a 20-foot, 40-foot, or 45-foot container, or state the amount of noncontainerized cargo. For purposes of this credit, a 40-foot or 45-foot container is equivalent to two TEUs, and 16 tons of noncontainerized cargo is equivalent to one TEU. Copies of Schedule A can be submitted if additional space is needed.

Taxpayers should retain all supporting documentation, such as bills of lading that show the amount of cargo that was shipped and the date of shipment.

## When to Submit Application

Form BRU and any supporting documentation must be completed and mailed no later than April 1 for credits earned the preceding year.

## Where to Submit Application

Submit Form BRU and attachments to the **Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715** or fax it to **804-367-3021**.

## What to Expect from the Department of Taxation

All applicants should receive a letter acknowledging their application. **If you have applied by the April 1 deadline and have not received an acknowledgment letter from us by May 15, please call the Tax Credit Unit at 804-786-2992.** The Virginia Department of Taxation will review all applications for completeness and notify taxpayers of any errors by June 1. If any additional information is needed, it must be provided no later than June 15 in order to be considered for the tax credit. All eligible taxpayers shall be notified by June 30 as to the allowable credit amount that may be claimed.

## 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 and compute any carryover credit amount.

As an attachment to their return, a corporation must file Form 500CR; an individual must file Schedule CR; and a pass-through entity must file Form 502ADJ.

## IMPORTANT

All business taxpayers should be registered with the Department of Taxation before completing Form BRU. If you are not registered, complete Form R-1.

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.

## Pass-Through Entities

In order to allocate the credit to the partners, shareholders, or members, each pass-through entity must file **Form PTE** with the Department of Taxation 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.

All pass-through entities distributing this credit to their 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 the **Department of Taxation, ATTN: Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715** or call **804-786-2992**. If you need assistance completing the VPA Validation Report please call **757-391-6235** or you may email [Helpdesk@vit.org](mailto:Helpdesk@vit.org). For assistance with the container and cargo verification process, contact the Virginia Port Authority at **(757) 391-6235** or [Helpdesk@vit.org](mailto:Helpdesk@vit.org).