Support HB 1438 (Anderson) and SB 997 (Mason), Oyster Shell Recycling Tax Credit

- Oysters are a keystone species that build three-dimensional reefs, providing habitat for many commercially important species such as blue crab and striped bass. They also filter our waterways and prevent shoreline erosion. However, they prefer other oyster shells to settle on and grow—and oyster shells are scarce.

- The creation of a shell recycling tax credit would boost the number of shells available for restoration projects by incentivizing restaurants and seafood companies and distributors to save their shells.

- The tax credit would be $4 per bushel and capped at $1,500 per year. Tax credits could not be carried over from year to year.

- Applicants for the tax credit will provide documentation to the Virginia Department of Taxation.

- Entities like the Virginia Marine Resources Commission and non-profits engaged in oyster restoration activities would receive the oyster shells and use them for restoration purposes.

- Entities that are getting paid for shell are not eligible for the tax credit.

The oyster is an iconic species in Virginia, important historically, economically, and ecologically. However, decades of overharvesting, pollution, and disease have decimated the Chesapeake Bay’s oyster population to a fraction of its historic numbers.

Fortunately, oysters are rebounding in Virginia, due to successful tributary-scale restoration, wise management, and increased disease resistance, as well as historic investments by legislators. Evidence of rebounding populations includes an oyster industry that has experienced a 52 percent increase in dockside value since 2013. These investments have also provided multiple economic and ecological benefits, including more robust oyster harvests, cleaner water, and more habitat for economically important species such as blue crabs and striped bass.

Unfortunately, oyster restoration efforts and their economic benefits to the shellfish industry are stymied due to the limited number of shells available for restoration. Legislators can encourage the reuse of oyster shells for restoration purposes by passing House Bill 1438 (Anderson) and Senate Bill 997 (Mason), which create a refundable tax credit for businesses that recycle used oyster shells.

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