

VIRGINIA DEPARTMENT OF TAXATION
www.tax.virginia.gov



**Software Test Package
For Software Developers
of Virginia Corporate Income Tax Returns
TAX YEAR 2009**

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Purpose Of Publication

This publication is to provide participating software developers of Virginia corporate income tax returns the required test criteria for acceptance into the Virginia Corporate eFile Program based on currently approved Virginia schemas.

Who Is Required To Test

Tax software developers and transmission software developers wishing to participate in the Virginia Corporate eFile Program must test before production corporate income tax returns can be sent to Virginia.

Federal/State transmitters and filers are not required to test.

Purpose For Testing

The purpose of testing is to:

- Ensure that software adheres to Virginia business rules and filing requirements
- Ensure successful return submission
- Ensure successful return acknowledgement receipt

When Can Test Submissions Be Transmitted

Test submission to Virginia is scheduled to begin 12/21/2009 but is subject to change and to IRS system availability. Software developers may transmit test returns for tax year 2009 until IRS MeF system shut down.

What Is Tested

This test package contains the test scenarios for the test returns to be submitted for product approval. Defined are 12 Virginia corporate income tax returns consisting of a variety of attachments and schedules. Although it is strongly urged that your company supports the Virginia corporate income tax form (Form 500) in addition to all schedules (Schedules 500A, 500AB, 500AC, 500ADJ, 500CR, and 500FED), the test scenarios may be submitted with adjustments for those schedules not supported. For example, you may omit credit(s) on the return from Schedule 500CR if the Schedule 500CR is not supported.

Software developers should notify Virginia if interested in testing additional conditions. While testing of additional conditions are permitted, software developers must use test FEINs outside the test FEINs used for the test scenarios included in this publication. Test FEINs that may be used for Virginia test submissions are 11-0000001 through 11-0000058.

Transmitting Test Submissions

Software developers should email the Business eFile Help Desk at bus_efile@tax.virginia.gov prior to testing and provide the following information.

- Company name
- Contact person
- Email address
- Voice telephone number
- Software limitations

Returns must be transmitted through the IRS MeF System. Both Linked returns and Unlinked returns can be submitted through the IRS Federal/State System. Virginia requires a copy of the complete federal return in the state submission, including binary attachments. Each return should be in a separate submission and multiple submissions may be within a single message payload.

Acknowledgements On Test Submissions

Virginia will send acknowledgements to the IRS MeF Federal/State Acknowledgement System in the format defined by the IRS Acknowledgement schema for both testing and production.

Schemas And Supported Forms

The Virginia schemas will be used in conjunction with IRS Federal/State 1120 schemas.

Software developers are not required to support all forms or schedules that are accepted electronically by Virginia. Virginia's state specific schemas support the form and schedules listed below.

- **Form 500** - Virginia Corporate Income Tax Return
- **Schedule 500AB** - Schedule of Related Entity Add Backs and Exceptions
- **Schedule 500AC** - Schedule of Affiliated Corporate Consolidated and Combined Filers
- **Schedule 500ADJ** - Schedule of Adjustments
- **Schedule 500A** - Multistate Corporate Allocation and Apportionment of Income
- **Schedule 500CR** - Credit Computation Schedule
- **Schedule 500FED** - Schedule of Federal Line Items

Portable Document Format (PDF)

Additional documents software developers must produce are:

- **Form VA-8879C** - Virginia Corporate Income Tax e-file Signature Authorization
- **Form VA-8453C** - Virginia Corporate Income Tax Declaration for Electronic Filing
- **Form 500V** - Virginia Corporate Income Tax Payment Voucher

Form VA-8879C and Form VA-8453C should be retained and not mailed to Virginia.

Form 500V should be attached to payments mailed to Virginia for any tax due. Form 500V must be approved separately by Virginia before being produced by your software. For more information visit the TAX web site at www.tax.virginia.gov under the Tax Professional Section.

Virginia requires certain supporting documentation for items on the return to be sent as PDF attachments. The Reference Document ID attribute should be used to link the attachment to the appropriate location on the return. All PDF attachments must be listed in the binary attachment portion of the return.

Responsibilities Of Software Developer

Unless the software developer is the ERO, the software developer is responsible for providing the Virginia acknowledgements to the ERO within two days after receipt of the acknowledgement.

Software errors that cause rejections to return submissions after product approval should be addressed timely with immediate communications and product update releases to the software users.

Software Approval

For final approval of a product(s), the software developer must transmit all test returns, in one single transmission without errors. The software developer must confirm receipt of the state acknowledgements. Once testing is complete, an email will be sent to the software developer to confirm product(s) approval and to request the company logo and URL for placement on Virginia's website as an approved Virginia certified software product.

Virginia Corporate Test Scenarios

Test Scenario #1

FEIN 11-0000001

File a consolidated Virginia corporate return, Form 500, with an apportionment factor of .250000 (25%). There are Fixed-Date Conformity Additions and Subtractions reported on Schedule 500ADJ. There is a Historic Rehabilitation Tax Credit in Part XII of the Schedule 500CR. There are 14 affiliates filing in the consolidated Virginia return Form 500. The return results in an overpayment with 25% of the overpayment applied to next year's estimated tax and 75% refunded.

Forms to include with this return:

- Form 500
- Schedule 500ADJ
- Schedule 500A
- Schedule 500AC
- Schedule 500CR
- Schedule 500FED
- Form 1120

Test Scenario #2

FEIN 11-0000002

File a Virginia corporate return with a filing status of a separate Virginia corporate return, Form 500, for a corporation who files a consolidated fiscal year federal return. The apportionment factor is .591654 (59.1654%). There are Addition modifications to federal taxable income: Codes 05, 10, 03 and 99. There is a Fertilizer and Pesticide Application Equipment Credit in Part VI of the Schedule 500CR. The return results in a balance due which includes interest and/or penalty for the underpayment of estimated Virginia income tax.

Forms to include with this return:

- Form 500
- Schedule 500ADJ
- Form 500C
- Schedule 500CR
- Schedule 500FED
- Form 1120

Test Scenario #3

FEIN 11-0000003

File a combined Virginia corporate return, Form 500, for a corporation who files a consolidated federal return. There are 13 affiliates. There is negative taxable income with an Addition modification: interest on state obligations other than Virginia, Section A, Line 5, Schedule 500ADJ. The return results in an overpayment and the corporation has requested a refund. The combined corporation must attach the tax return computation documentation as a binary attachment.

Forms to include with this return:

Form 500
Schedule 500A
Schedule 500FED
Schedule 500AC
Schedule 500 ADJ
Form 1120

Test Scenario #4

FEIN 11-0000004

File a Virginia multistate corporate return, Form 500, with taxable income and an apportionment factor of .730000 (73%). There are Additions reported in Section A, Lines 4 and 5, Schedule 500ADJ. The return results in a balance due.

Forms to include with this return:

Form 500
Schedule 500A
Schedule 500FED
Schedule 500ADJ
Form 1120

Test Scenario #5

FEIN 11-0000005

File a Virginia multistate corporate return, Form 500, with taxable income and an apportionment factor of .381254 (38.1254%). The corporation is filing as a Motor Carrier. There is an overpayment to be applied to next year's estimated tax.

Forms to include with this return:

Form 500
Schedule 500A
Schedule 500FED
Form 1120

Test Scenario #6

FEIN 11-0000012

File a Virginia corporate return, Form 500, with the Virginia taxable income fully taxable (apportionment factor = 100%). There are Additions reported in Section A, Lines 1, 5 and 6, Code 14, Schedule 500ADJ. The return results in a balance due.

Forms to include with this return:

Form 500
Schedule 500ADJ
Schedule 500FED
Form 1120

Test Scenario #7

FEIN 11-0000013

File a Virginia consolidated corporate return, Form 500, with taxable income and an apportionment factor of .152654 (15.2654%). There is Pass-Through Entity withholding for 19 pass-through entities on Line 15. There is a Historic Rehabilitation Tax Credit, Part XII, Schedule 500CR and a Major Business Facility Job Tax Credit Part X, Schedule 500CR. There are Addition modifications to the federal taxable income: Codes 03, 10, 15 and 99. There are Subtraction modifications to federal taxable income: Codes 50 and 60. The return results in an overpayment and the corporation has requested a refund.

Forms to include with this return:

- Form 500
- Schedule 500AC
- Schedule 500FED
- Schedule 500A
- Schedule 500ADJ
- Schedule 500CR
- Form 1120

Test Scenario #8

FEIN 11-0000014

File a Virginia consolidated corporate return, Form 500, with negative federal taxable income and an apportionment factor of .023564 (02.3564%). There are 4 payments made to related entities reported on Schedule 500AB, Part 1. There is an Addition modification to federal taxable income in section A, Line 2, Schedule 500ADJ. There is no overpayment or balance due on this return.

Forms to include with this return:

- Form 500
- Schedule 500AB
- Schedule 500AC
- Schedule 500FED
- Schedule 500A
- Schedule 500ADJ
- Form 1120

Test Scenario #9

FEIN 11-0000015

File a Virginia consolidated corporate return, Form 500, reporting no activity in Virginia for the current tax period. There is no overpayment or balance due on this return.

Forms to include with this return:

- Form 500
- Schedule 500A
- Schedule 500FED
- Schedule 500AC
- Form 1120

Test Scenario #10

FEIN 11-0000016

File a Virginia multistate corporate return, Form 500, with taxable income and an apportionment factor of .386542 (38.6542%). The corporation is filing as a Construction Corporation. There is an Addition modification to federal taxable income in Section A, Line 2, Schedule 500ADJ. There is an overpayment to be applied to the next year's estimated tax.

Forms to include with this return:

- Form 500
- Schedule 500A
- Schedule 500ADJ
- Schedule 500FED
- Form 1120

Test Scenario #11

FEIN 11-0000017

File a Virginia combined corporate return, Form 500, with a consolidated federal return. There are Additions reported in Section A, Lines 4 and 5, Schedule 500ADJ. The return results in a balance due. The combined corporation must attach the tax return computation documentation as a binary attachment.

Forms to include with this return:

- Form 500
- Schedule 500A
- Schedule 500AC
- Schedule 500ADJ
- Schedule 500FED
- Form 1120

Test Scenario #12

FEIN 11-0000018

File a Virginia multistate corporate return, Form 500, with negative federal taxable income and an apportionment factor of .546542 (54.6542%). There are estimated payments reported on Line 12, Form 500, and there is a refundable tax credit reported on Line 97, Schedule 500CR. The return results in an overpayment and the corporation has requested a refunded.

Forms to include with this return:

- Form 500
- Schedule 500A
- Schedule 500CR
- Schedule 500FED
- Form 1120