

Virginia Department of Taxation



Individual Income e-File Guide

Tax Year 2014



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Overview

The Virginia Department of Taxation (Tax Department) designed this guide to provide information and links to the following areas of the e-File program for electronic filing of the Individual Income Tax data.

- Contact Information – important to all tax professional audiences
- Legislation Impacts – important to all tax professional audiences
- Overview of Virginia e-File system – important to all tax professional audiences
- Electronic Return Originator & Tax Preparers' details – important to EROs & Tax Preparers
- Software Vendor / Developer details –important to Vendors & Developers
- Appendices – Schema Validation Rules, Business Rules and a Questionnaire

Virginia Contact Information

e-Alerts

Virginia e-Alerts is a free online service that provides up-to-date information on events that affect e-File throughout the filing season and beyond. Sign up for [e-Alerts](#) to receive these emails.

Phone Numbers & Email

Hours of Availability – Monday – Friday, 8:30 a.m. – 5:00 p.m.

- Customer Services – (804) 367-8031
- Tax Professionals Hotline – (804) 367-9286
- Individual Income e-File Help Desk – Ind_eFile@tax.virginia.gov

Resources – Legislative Changes & General Updates

This section provides general e-File resources and an overview of legislative changes that impact e-Filing Individual Income tax data. Additional details can be found in the links to the Tax Department website as well as in the instructions for Individual Income tax returns.

Website Resources

[Individual e-File](#) – information and updates to Individual Income e-File stakeholders

[e-File Developer Specifications Web Page](#) – provides technical requirements, schema details, business rules and testing scenarios used in the development of e-File software

[Online Services](#) – options for electronic return payments, electronic bill payments and related tax information

[Guide to Tax Form Changes \(TY2014\)](#) – overview of tax form and instruction changes (TY2014)

[Early Release Forms \(TY2014\)](#) – drafts of tax forms (TY2014)

[Web Forms](#) – all forms supported by the Tax Department

[Substitute Forms](#) – specs for all Individual Income substitute forms

[Legislative Summary Reports](#)

What's New – [Individual Income](#) and [Tax Credits](#)

Virginia's Fixed Date Conformity with the Internal Revenue Code

Review the [Fixed Date Conformity in Virginia](#) section of the Tax Department's website for details regarding Virginia's date of conformity advancement with the Internal Revenue Code (IRC).

Legislation Changes

Schedule VAC – New for Tax Year 2014

Schedule VAC is used to make contributions to Virginia College Savings Plans (Virginia529) and to all other standard contributions. The contribution sections on impacted ADJ Schedules have been removed. The Schedule VAC/CG is the computer generated version used for e-File and for 2D Barcode paper filing.

Tax Credits Added/Removed for Tax Year 2014

- Added – Educational Improvement Scholarship Tax Credit
- Moved – Political Contributions Credit (moved from Schedule CR/CG to 760CG)

Codes Added/Removed for Tax Year 2014

- Added – Addition Code 17
- Added – Subtraction Code 54
- Added – Foundation Code 202101
- Added – Foundation Code 208501
- Added – Foundation Code 218301
- Added – Foundation Code 029011
- Added – Foundation Code 103001
- Added – Foundation Code 750002
- Added – Foundation Code 167001
- Name Change – Foundation Code 059002
- Removed – Foundation Code 206501
- Removed – Foundation Code 057001
- Removed – Foundation Code 036001
- Removed – Foundation Code 109001

Overview of Virginia Fed/State e-File Program

Virginia's Individual Income e-File program works with the IRS Federal/State e-File program. This allows Providers to file both federal and state returns electronically for the taxpayer. In addition to accepting federal and state Individual Income tax returns electronically in a single transmission, State Only returns are also accepted.

Like a paper tax return, an e-File tax return consists of tax forms, schedules, and attachments that can be submitted.

The tax return uses schemas which are created using Extensible Markup Language (XML). This language defines the structure and content of an XML document to implement all forms, schedules and attachments in electronic format for e-File. Business rules are created to specify requirements that cannot be defined in the XML.

The Individual Income e-File program will start accepting production Individual Income tax returns on January 30, 2015. This date is based upon IRS System availability and is subject to change.

For TY2014, Virginia's Individual Income e-File program will accept: Forms 760CG, 760PY and 763.

Virginia e-File Calendar – Tax Year 2014

The Virginia Tax Department follows the IRS e-File calendar. These dates are based upon the IRS System availability and are subject to change.

- | | |
|---|--------------------|
| • ATS testing begins (in conjunctions with the IRS) | November 3, 2014 |
| • Begin transmitting returns to IRS/Virginia | (To Be Determined) |

Supported Forms and Schedules

The Virginia schemas are used in conjunction with IRS Federal/State schemas. Virginia's state specific schemas support the forms and schedules listed below.

- **Form 760CG (Page 1)** – Individual Resident Income Tax Return
- **Form 760CG (Page 2)** – Individual Resident Income Tax Return
- **Schedule ADJ/CG** – Schedule for Additions, Subtractions, Deductions and Earned Income Credit
- **Schedule CR/CG** – Schedule for Credit Computations
- **Schedule FED/CG** – Schedule of Federal Line items
- **Schedule INC/CG** – Schedule for multiple wage, income and tax statements (printing purposes only)
- **Schedule OSC/CG** – Schedule for Credit for Tax Paid to Another State
- **Schedule VAC/CG** – Schedule for Contributions
- **Schedule VACS/CG** – Schedule for Additional VA College Savings Plan Contributions (printing purposes only)
- **Form 760PY** – Virginia Part-Year Resident Individual Income Tax Return
- **Schedule 760PY ADJ** – Schedule of Adjustments for 760PY
- **Schedule of Income (760PY)** – Schedule of 760PY Income
- **Form 763** – Virginia Nonresident Income Tax Return
- **Schedule 763 ADJ** – Schedule of Adjustments for 763
- **Schedule VK-1** – VK-1 Income Statement
- **Form W-2** – Wage and Tax Statement
- **Form W-2G** – Certain Gambling Winnings
- **Form 1099-INT** – Interest Income
- **Form 1099-G** – Certain Government Payments
- **Form 1099-MISC** – Miscellaneous Income
- **Form 1099-R** – Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRS, Insurance Contracts, etc.

Forms and Schedules Not Supported

Certain forms are not eligible for e-File. These forms must be printed and mailed to the Tax Department.

- Form 763-S
- Form 770
- Returns containing withholding reported on Form 4852, Substitute W-2 or Substitute 1099-R
- Returns containing International ACH Transaction (IAT) fund transfers

Forms with Criteria

Virginia Schedule FED is generated according to the following criteria:

- Federal Schedule C or C-EZ reports Virginia gross income or loss of income from a business/profession operated as sole proprietor and/or to report Virginia farm income and expenses reported on the federal Schedule F.
- Unreimbursed employee business expense reported on the federal Schedule 2106 and/or 2106-EZ.
- Vehicle information normally listed on federal Schedules C, C-EZ, F, 2106, 2106-EZ and 4562.
- Depreciation and amortization reported on the federal Schedule 4562.

Supported Tax Years

Virginia's Individual Income e-File program accepts tax original and amended returns for Tax Years 2014, 2013 and 2012.

Electronic Filing Options

Visit the [Electronic Filing Options page](#) for details on the three e-File program options.

- **Virginia Free File** – eligibility based federal / state income tax preparation and electronic filing program
- **Paid e-File** – federal / state income tax preparation and electronic filing program with associated costs
- **Free Fillable Virginia Forms e-File** – free Virginia state income tax preparation and electronic filing program

Types of Filing

Virginia's Individual Income e-File programs accept two kinds of submissions: Linked filing and Unlinked filing.

Linked

Linked filing occurs when the federal and state returns are filed together in one transmission to the IRS. The IRS validates and verifies the federal return data. The IRS will either accept or reject the federal return. The state return is made available to Virginia only if the federal return is accepted by the IRS. The corresponding federal submission id is submitted in the state manifest.

If a federal return is rejected in a Linked submission, the state return is not made available to Virginia. In this case, the next corrected transmission should include **both** the federal return and the state return.

Unlinked

Unlinked filing occurs when the state return is transmitted through the Fed/State system **without** simultaneously transmitting an original federal return. The software must support unlinked filing in order for the state only transmissions to be available to the electronic filer.

Unlinked returns are transmitted to the IRS and made available for states to retrieve in the same fashion as the Linked transmission. The corresponding federal submission id is not submitted in the state manifest.

Virginia requires a copy of the complete federal return, including federal binary attachments, in the state submission.

PDF Attachments

The PDF attachment(s) for credits, adjustments or amounts requiring documentation is optional. Even though the PDF attachment(s) were made optional, the PDF is still required for specific filing scenarios.

A missing document letter requesting the document in paper format will be sent out to the users if certain scenarios exist and the PDF attachment(s) are not properly attached to the Virginia Return.

Missing PDF attachments and PDFs not properly attached will delay the processing of the return and the credit, adjustment or amount could be denied. Virginia approved software vendors **are required** to provide a message to users advising taxpayers of this potential.

Reference Doc IDs (see Page 19 example) are necessary in the programming to ensure correct attachment of the PDF.

Schedule CR – PDF Attachments

PDFs are required with Schedule CR for the following scenarios.

- Enterprise Zone Act Credit
- Recyclable Materials Processing Equipment Credit
- Conservation Tillage Equipment Credit
- Precision Fertilizer and Pesticide Application Equipment Credit
- Vehicle Emissions Testing Equipment Credit
- Foreign Source Retirement Income Tax Credit
- Waste Motor Oil Burning Equipment Credit
- Biodiesel and Green Diesel Fuels Tax Credit
- Coalfield Employment Enhancement Tax Credit and Coal Employment and Production Incentive Tax Credit
- Agricultural Best Management Practices Tax Credit

Schedule OSC – PDF Attachments

The PDF attachment of the out-of-state tax return is required for all income tax states claimed on Schedule OSC.

If the income is from Arizona, the District of Columbia, California or Oregon, the credit is not claimed on Virginia's Schedule OSC.

Refund Options & Direct Debit Options

Additional refund and balance due/Direct debit handling details are located in this Guide in the ERO/Tax Preparer's sections of [Refund Returns](#) and [Balance Due Returns](#).

Refunds – Electronic Banking Rules, Direct Deposit & Prepaid Debit Cards

As refunds are no longer issued by paper check, taxpayers are required to choose a refund option of Direct Deposit to their bank or have the refund issued on a prepaid debit card.

The software must present refund choices and clearly state/display "Fees May Apply" next to the Debit Card option. It is strongly encouraged to add a link to our [Virginia Tax Refund Debit Card](#) page that opens in a new browser to allow the taxpayer to keep the current software session open.

If taxpayers **do not choose** the Direct Deposit option for their refunds, the Department will issue a debit card to them. The same thing applies if the Direct Deposit banking information is missing. The software should explain this to taxpayers.

Direct Deposit remains the fastest way to receive a refund with most being issued within 7 days or less. Software programs should force taxpayers to enter and verify the banking information every year. Account information should not be carried over from one year to the next to ensure that valid banking information is provided.

Due to electronic banking rules, the Tax Department does not allow Direct Deposit **to or through** foreign financial institutions. Attempting to use Direct Deposit to transfer funds electronically to a financial institution outside the territorial jurisdiction of the United States will significantly delay taxpayers refunds.

Direct Debit Warehousing

If an income tax return is filed after May 1, 2015, the Direct Debit date must be equal to the Return Submit date of the return and must be in the current year. The Requested Payment Date is always required if State Direct Debit Payment is filed with the income tax return.

If no payment request date is provided, then the Return Submitted date will be considered the direct debit date either before or after May 1, 2015.

Electronic 1099-G Handling

If the taxpayer itemized deductions and has an overpayment/refund, the Tax Department must report that amount to them on Form 1099-G. Populating the Electronic 1099-G checkbox authorizes the Tax Department to provide Form 1099-G, electronically via the Electronic 1099-G page on the Tax Department's [website](#).

Taxpayers may obtain their Form 1099-G securely from the Tax Department's website. This page also provides an option to request Form 1099-G on paper.

Electronic Postmark

A Transmitter may provide an electronic postmark to taxpayers that file Tax Returns through an ERO or through an Online Provider (Online Filing).

The Transmitter creates the electronic postmark bearing the date and time, GMT time format, (in the Transmitter's time zone) that the return is received at the Transmitter's host computer.

The taxpayer must adjust the electronic postmark to the time zone where the taxpayer resides in order to determine the postmark's actual time.

If the electronic postmark is:

- **on or before** the prescribed deadline for filing, **but received after** the prescribed deadline for filing – the return is treated as filed timely
- **after** the prescribed deadline for filing – the return is treated as being filed late
- **not available** – the IRS received date is used

Acknowledgement of e-File Returns

Virginia provides an acknowledgment for each return received. The file type will be either "Accepted" or "Rejected". Acknowledgement files must be retained for one year after submission.

Accepted

- This indicates that the electronic return was received and accepted.
- The transmission successfully completed the pre-entry validation process and no further action is required.

Rejected

- This indicates that the electronic return was received and rejected.
- Virginia approved software vendors **must** mirror image the provided Acknowledgement Error Message for each reject while sending it back to the taxpayers.
- The Acknowledgment contains codes/error descriptions, (in [Appendix B](#)), that indicate the cause of the reject.
- The error condition(s) must be corrected before the return can be re-transmitted as an "Unlinked" submission.

Perfection Periods for Rejected Submissions

Virginia does not allow the IRS return perfection period. A return must be transmitted and accepted by the due date of the return to be considered timely filed.

Software Issues / Errors

The Virginia Tax Department does not develop or sell tax preparation or electronic return data transmission software.

If facing software issues, contact the vendor where the software was purchased or the technical support operation that comes with the software package.

Software errors that cause rejections to return submissions after approval **must** be addressed timely with immediate communications and update release to the software users.

Provide similar communications with the Virginia Tax Department, Ind_eFile@tax.virginia.gov, in order to help the Tax Department advise and assist customers with their e-File concerns and issues.

Additional e-File Related Documents

The following three documents (including fillable versions) are available on the applicable [Tax Professionals](#) subpages. Instructions on how to complete the forms are included with the document. The taxpayer's software may also produce these forms, if the software produced forms match the official Tax Department versions.

Form VA-8453 – Virginia Individual Income Tax e-File Signature Authorization Form

Form VA-8453 is the state signature and authorization form. Form VA-8453 is required only when the PIN option is NOT utilized to sign the e-filed tax return. (Software should not present/print Form VA-8453, if they opted to use the PIN method to sign their return.)

Amended Form VA-8453 – Amended Virginia Individual Income Tax e-File Signature Authorization Form

If the ERO changes the electronic return after Form VA-8453 has been signed, the ERO must have the taxpayer sign an amended Form VA-8453 before transmitting the return. The applicable conditions are if the Virginia Taxable Income changes by more than \$25, or if the state refund changes by more than \$5.

Form VA-8879 – Virginia Individual Income Tax Declaration for Electronic Filing

Form VA-8879 must be completed when an individual electronic return is signed using the Practitioner PIN method. By signing this form, the taxpayer authorizes the ERO to enter the taxpayer's personal identification number on their e-filed income tax return.

Form 760-PMT – Payment Voucher for Individual Income Tax

The following document can be viewed on the [main Forms page](#) for the applicable Individual Income tax type/tax year. This form must be produced by the software when Forms 760CG, 760PY or 763 tax due return data is filed electronically but the payment is not filed electronically.

The Form 760-PMT is for a specific tax year. Filing it by May 1, 2015 will avoid a bill for tax, penalty and interest.

Important Information

Details related to each tax professional audience can be found here.

- For ERO information – review the [Electronic Return Originator & Tax Preparer's](#) section.
- For Software Vendor and Software Developer information – review the [Software / Developer](#) section.
- For the Appendices A, B or C – review beginning with [Appendix A](#).

Electronic Return Originator & Tax Preparers' Section

Purpose

This section provides details for the Electronic Return Originators (ERO) and the Tax Preparers to handle the important changes made by Virginia.

Virginia Filing Threshold

If the Virginia Adjusted Gross Income (VAGI) is at or above the threshold amount detailed in the [Who Must File](#) page, taxpayers are required to file their Virginia Individual Income tax return.

Taxpayer Identification Numbers (TINs)

Providers/EROs should ensure that they transcribe all TINs correctly. The TIN on Form W-2 should be identical to the TIN on the electronic return. When inputting Form W-2 information, ERO should enter taxpayers' SSNs exactly as shown on the Form W-2 issued by the employer.

Safeguarding e-File from Fraud and Abuse

All Providers must be on the lookout for fraud / abuse; the EROs must be diligent while acting in their capacity as the first contact with taxpayers filing a return. Providers **must** cooperate with the Tax Department's investigations related to the potential fraud or abuse.

Automatic Registration

In order to e-File returns, tax professionals must register with and be accepted by the IRS as an ERO. The IRS assigns each ERO an Electronic Filer Identification Number (EFIN).

Acceptance by the IRS as an ERO automatically qualifies tax professionals to e-File Virginia returns. For more information, visit the [IRS](#) website.

Obtaining, Handling and Processing Return Information

An ERO originates the electronic submission of a return after the taxpayer authorizes the filing of the return via e-file.

The ERO must always:

- Have either prepared the return or collected it from a taxpayer;
- Identify the paid preparer (if any) in the appropriate field of the returns it originates; and
- Ensure the PTIN (preferred) or SSN of the individual who prepared the return is present.

Signing an Electronic Return

As with a paper return submitted to the IRS, the taxpayer and preparer (if applicable) must electronically sign an e-File income tax return.

After reviewing the e-File return, taxpayers must agree by signing an e-File Signature Authorization Form containing the (Personal Authorization Number) PIN. There are currently **two methods** for electronic signatures.

Self-Select PIN

- First time e-Fileers obtain their PIN from the IRS before filing
NOTE: Primary Taxpayers (under 16) who have never filed and Secondary Taxpayers (under 16) who did not filing in the prior tax year are not eligible for a Self-Select PIN.
- Is paperless **if** the taxpayer enters their PIN directly into the electronic return record (using key strokes) after reviewing the completed return
- Allows electronic signature by selecting a five-digit PIN as the signature
- Five-digit PIN can be any five numbers except all zeros
- Taxpayers may authorize EROs to enter PINs on their behalf, in which case the taxpayers must review and sign a completed signature authorization form after reviewing the return.

Signing an Electronic Return (con't)

Practitioner PIN

- Taxpayers must always appropriately sign a completed e-File Signature Authorization form.
- Taxpayers, who use the Practitioner PIN method and enter their own PINs in the e-file record (using key strokes) after reviewing the completed return, must still appropriately sign the signature authorization form.

Regardless of the method used, taxpayers may enter their own PINs; EROs may select and enter the taxpayers' PINs; or the software may generate the taxpayers' PINs in the return.

Submitting the Electronic Return

Once signed with the PIN, an ERO must originate the electronic submission of a return as soon as possible.

EROs must not electronically file individual income tax returns prior to receiving Forms W-2, W-2G, 1099 R etc. Advise taxpayers that State returns cannot be transmitted until the date the IRS accepts transmission of electronic returns.

Providing Information to the Taxpayer

EROs must provide a complete copy of the return to the taxpayer. The ERO should advise the taxpayer to keep a complete copy of the return and supporting materials for three years (to assist with authentication with subsequent years).

EROs may provide this copy in any media, including electronic, that is acceptable to both the taxpayer and the ERO. The copy need not contain the SSN of the paid preparer.

Acknowledgements of Transmitted Return Data

The Virginia Department of Taxation electronically acknowledges the receipt of all transmissions. Returns in each transmission are either **accepted or rejected** for specific reasons.

The ERO is responsible for ensuring that each transmission is acknowledged. If an acknowledgement has not been received within two business days for a transmitted return, the ERO should contact the [Individual e-File Help Desk](#).

Accepted returns meet the processing criteria and the Tax Department considers the returns "filed." Rejected returns fail to meet processing criteria and are considered "not filed."

The acknowledgement identifies the source of the problem according to error reject codes that will explain why the return was rejected. Details are available in [Appendix B](#).

The ERO should:

- regularly check acknowledgements to identify returns requiring follow up action; and
- take reasonable steps to address issues identified in acknowledgements

The return can then be resent as "Unlinked". The acknowledgement files must be retained for one year after transmission.

Resubmission of Rejected Tax Returns

If the Tax Department rejects the e-Filed return (and the ERO cannot rectify the reason for the rejection) the ERO **must** take reasonable steps to inform the taxpayer of the rejection within 24 hours.

EROs must provide the taxpayer with the reject code(s) and an explanation. If the taxpayer opts not to have the e-Filed return corrected and transmitted to the Tax Department, or if the Tax Department cannot accept the return for processing, the taxpayer must file a timely paper return.

Virginia does not follow the IRS return perfection period. A return must be **transmitted and accepted** by the due date of the return to be considered timely filed.

Banking Account Information for Tax Returns

When the taxpayer requests a Direct Deposit (refund) or Direct Debit (balance due) for their refund, specific information must be provided. Some software imports prior year's information and reuses it unless it is changed. Do not prepopulate/reuse information for these fields. If the correct information is not provided and entered, then the transaction will be rejected by the taxpayer's bank.

- Routing Transit Number
- Account Number
- Type of Account – Checking or Savings
- Direct Debit Date (balance due returns)
- Direct Debit Amount (balance due)

The Routing Transit Number (250250025) and Account Number (20202086) are located at the bottom of the taxpayer's personal check as indicated in the example below.

<i>Taxpayer Name</i> 100 Main Street Richmond, VA 23230	1234
<i>PAY TO THE ORDER OF</i> _____	<i>Date</i> _____
\$ _____	Dollars
<i>ANYTOWN BANK</i> <i>For</i> _____	
: 250250025 : 202020 86 1234	

Refund Returns

When taxpayers are entitled to refunds, advise them of the following ways to allocate their Individual Income Tax refund.

- Applied to next year's estimated tax;
- Direct Deposit in a financial institution within territorial jurisdiction of the United States (US).
NOTE: The Tax Department does not allow direct deposit of refunds outside of the US.
- Received as a Prepaid Debit Card; or
- It can be split, so that a portion is applied to next year's estimated tax, specific contributions and the rest received as a Direct Deposit or Prepaid Debit Card.

RALs and Other Financial Products

A Refund Anticipation Load (RAL) is money borrowed by a taxpayer from a lender based on the taxpayer's anticipated Individual Income tax refund.

Some financial institutions also offer a variety of other financial products to taxpayers based on their refunds. The Virginia Tax Department is neither involved nor responsible for RALs and the other financial products.

Refund Delays

EROs should advise taxpayers that they can avoid refund delays by:

- Having all of their taxes and obligations paid;
- Providing current and correct information to the ERO;
- Ensure that all bank account information is up-to-date and entered correctly;
- Ensuring that their Social Security Administration records are current;
- Ensuring Credits requiring PDF attachments are included; and
- Ensuring the information on the tax return is correct before signing it.

Direct Deposit – the bank will not be able to process and deposit the refund when incorrect banking information is provided/keyed into the software. When this occurs, the Tax Department will manually re-issue taxpayer's refund.

Prepaid Debit Card – if the Post Office is unable to deliver the card to the taxpayer, it is returned to the Debit Card Vendor. The taxpayer must contact the Vendor with a new mailing address in order to have their debit card reissued.

Refund Returns (con't)

Refund Offsets

Before issuing any tax refunds the Tax Department must first verify if the taxpayer owes the Commonwealth of Virginia for any outstanding debts. If taxpayer refund is reduced to satisfy any debt owed, a refund is issued for the residual balance.

- **Previous Tax Years** – the Department will withhold all or part of a taxpayer's tax refund and apply it to the outstanding tax bill(s). If this occurs, the Department will send the taxpayer a letter identifying the specific bill(s) owed by the taxpayer and how much of the tax refund was applied.
- **Other Virginia Agencies, Virginia Local Governments, Virginia Court System or IRS** – the Tax Department will withhold all or part of any remaining tax refund to help satisfy these debts.
 - If this occurs, the specific agency will send a letter to the taxpayer identifying the debt owed by the taxpayer and how much refund was applied to the debt.
 - The Code of Virginia Set-Off Debt Collection Act, Sections 58.1-520 through 58.1-535, authorizes and governs this program.

Direct Deposit Refunds

Taxpayers who chose the Direct Deposit option must provide accurate bank account information, which the Tax Department uses to directly deposit the refund into the taxpayer's bank account.

If the banking information is correct, including it being a financial institution within territorial jurisdiction of the United States, then the refund is generally deposited within 7 days or less.

This is the fastest way for a taxpayer to have access to their income tax refund.

Prepaid Debit Card Refunds

Taxpayers who chose the Debit Card option receive a mailer with the Debit Card attached providing information on how to activate the card, who to call with questions, information on free and fee-based services and rules on use of their cards.

Refund Debit Cards that are never activated will be turned over to Treasury's Unclaimed Property after 12 months.

Taxpayers must contact the Debit Card Vendor directly for any **Lost or Uncashed Refund Debit Cards** queries.

- Lost or stolen cards will be replaced by the Debit Card Vendor.
- Undeliverable cards will be returned to the Debit Card Vendor.

Details on Prepaid Debit Cards can be found on the [Virginia Tax Refund Debit Card](#) page and in the Individual Income tax forms instructions.

Refund Status

Taxpayers may check the status of their individual income tax refund using the [Where's My Refund](#) online lookup tool.

EROs should advise taxpayers about the [Where's My Refund](#) online tool. If taxpayers do not have Internet access, the ERO should provide taxpayers with the TeleTax refund/return information number of (804) 367-2486.

Before checking on refunds, taxpayers should wait at least 7 business days from the time the Tax Department acknowledges acceptance of the return data.

To check on refunds, taxpayers need to enter the SSN shown on their tax return, the tax year of the return filed and the expected amount of the refund.

Balance Due Returns

Taxpayers who owe on their Income Tax Returns must pay their balances due by the original due date of the return or be subject to interest and penalties.

An automatic six-month extension is granted for filing an income tax return. No application is required; however, any tentative tax due must be paid with an extension voucher, Form 7601P, by the original due date for filing the return.

Inform taxpayers of their obligations and options for paying balances due. Taxpayers have following options when paying any balance owed on their returns (as well as estimated tax payments).

- Direct Debit (Electronic Funds Withdrawal)
- Internet – Tax Department's Web Payments
- Internet or Phone – Official Payments
- Check or Money Order

Direct Debit (Electronic Funds Withdrawal)

Taxpayers can e-file and at the same time authorize an electronic funds withdrawal by **Direct Debit**. Taxpayers must provide account numbers and routing transit numbers for qualified accounts to the Provider.

The direct debit must be from a financial institution within the territorial jurisdiction of the United States.

Taxpayers must confirm their account numbers and routing transit numbers with their bank. If the bank is unable to locate/match the banking information on file for the taxpayer, the direct debit request is rejected.

Taxpayers can schedule/warehouse a payment for withdrawal on a future date. Scheduled payment must be effective **on or before** the return due date. For returns transmitted **after** the due date, the payment date must be same as the date the Provider transmitted the return. If no payment request date is provided, the Return Submitted date is the direct debit date.

Tax Department's Web Payments Option

Taxpayers can use the Tax Department's free [Online Services For Individuals](#) to make a return payment using the Web Payments option and pay the balance due on their e-filed return. This applies to Forms 760, 760PY and 763. Details on enrolling and using the free service are available on the [FAQs page](#).

Official Payments

Taxpayers can make payments separately using a debit card or major credit (Visa®, MasterCard®, American Express®, Discover® Network). Balance dues can be paid by calling 1-800-2PAY-TAX or online via www.officialpayments.com.

A convenience fee based on the amount of the tax payment is charge; the software also advises taxpayers of this fee. Taxpayers may choose to end a transaction before the payment is completed. EROs should inform taxpayers of this option and associated fees. [Additional details](#) regarding Official Payments usage are available.

Check or Money Order

Taxpayers may pay the balance due by mailing a check or money order attached to Form 760-PMT Payment Coupon. The 760-PMT is located on the [main Forms page](#) for the applicable Individual Income tax year.

When making a payment with Form 760-PMT, **do not** attach a paper copy of the electronically filed return. This causes processing discrepancies and delays the processing of the payment.

Timely Filing

Existing rules for due dates apply to e-File returns. EROs **must** ensure that returns are processed timely.

If the due date falls on a Saturday, Sunday or legal holiday, then the return is due on the next business day. **Until** the return is **acknowledged as accepted** by Virginia, the return is considered **not filed**.

Extension for Filing Income Tax Returns

Taxpayers are granted an automatic six-month extension for filing an income tax return.

No application for the extension is required; however, any **tentative tax due must be paid** with an extension voucher, Form 7601P, by the original due date for filing the return.

ERO / Preparer Documents

Tax Preparer Hardship Waiver Request Form – VA Form 8454P

Preparers who prepare 50 or more tax returns for the taxable year must file by electronic medium. Electronic medium **does not** include filing paper returns that include the 2D barcode.

Preparers may request a hardship waiver by completing Form VA-8454P, if they feel that the e-File requirement would cause an undue hardship. This form is available on the Tax Professionals [Preparers & Providers](#) page

Electronic Signature and Storage (ESS) for Forms VA-8453 and VA-8879

EROs may sign Forms VA-8453 and VA-8879 by rubber stamp, mechanical device (such as signature pen) or computer software program. The signature must include either a facsimile of the individual EROs signature or of the EROs printed name. EROs using one of these alternative means is personally responsible for affixing their signatures to returns or requests for extension.

The ERO must retain Forms VA-8453 and/or VA-8879 for 3 years from the due date of the return, or the filing date, whichever is later. EROs **must not** send Forms VA-8453 and/or VA-8879 to the Tax Department.

Appendix Information

Information contained in Appendices A, B or C can be found beginning with [Appendix A](#).

Software Vendor / Developer Section

Purpose

This section provides special guidance for the vendors to handle the important changes made by Virginia for TY2014.

Software Design Information

Software Developers (including developers acting as EROs) must:

- Develop tax preparation software according to statutory requirements and Virginia tax return preparation instructions. For details, use the following resources in the Tax Department's [Laws, Rules & Decisions](#).
 - Tax Code of VA, Regulations, Legislative Summaries & Rulings of the Tax Commissioner
 - Tax Bulletins, Attorney General's Opinion & Guidance Documents
- Provide accurate Virginia Individual Income tax returns in correct electronic format for transmission through the Fed/State e-File program.
- Develop software capable of producing a printed copy of the complete electronic filing.
- Provide up-front data validation, verification and error detection to prevent transmissions of incomplete, inaccurate or invalid return information.
- Prevent electronic filing of any form not approved and/or supported for electronic filing by Virginia.

IRS Routine Maintenance

The IRS schedules routine maintenance generally on Sunday from 12:00 am to 8:00 am, EST.

This process may result in intermittent down time for transmitters. Work scheduled during this window will generally not be communicated to the software developers. For details regarding system status and/or possible delays, refer to the IRS e-File Status page or the Virginia pages for Individual Income e-File.

Validating Tax Returns

Once the transmission file passes validation, the e-File program validates the submissions contained in the file. Submission validation consists of two parts: Schema Validation and Business Rule Validation.

Schema Validation

Schemas provide the basic definition for elements – field length, data type, allowable values, etc. Data integrity depends on each data element complying with the data format specifications. If the tax preparation software uses the State-defined XML schemas to create the XML tax return, there should be no data format errors in the return.

If an error is found during Schema Validation, processing stops. Neither the remaining Schema Validations nor the Business Rules will be applied to that submission. If the error is found in the Manifest (described in the next section), the submission (xml archive) will not be Schema Validated either.

The e-File program verifies this by validating each return in the transmission file against the schemas. The 4 Virginia schema validation business rules can be found in [Appendix A](#) of this guide.

Business Rule Validation

The e-File program uses a business rule engine to validate returns against the rules.

As submissions are validated, the acknowledgements are made available to the transmitter for retrieval. When a rule with severity “reject and stop”, or “reject” is violated – an error is generated. Errors result in a rejected return. The complete listing of business rules can be found in [Appendix B](#) of this guide.

Manifest Values

The state manifest **must match** the Government Code, State Submission Type and Submission Category listed below.

Government Code	State Submission Type	Submission Category
VAST	VA760	IND
VAST	VA760PY	IND
VAST	VA763	IND

Requirements for Reporting W-2 Data

Virginia follows the same W-2 reporting guidelines as the IRS, which requires the manual key entry of the Taxpayer Identification Number (TIN) as it appears on Form W-2 (received from the employer for all taxpayers with Individual Taxpayer Identification Numbers (ITINs) who are reporting wages). This helps ensure the TIN is reported correctly throughout the submission.

This means that no software package should utilize the auto-population feature regardless of the presence of an override feature to populate the TIN on the Form W-2 for these ITIN filers. The user must enter the W-2 data manually.

Software Developer Questionnaire

Prior to testing, developers must complete the Questionnaire ([Appendix C](#)) to advise of all limitations to its software package.

If a software developer initially tested with the limitations and later decided to support additional forms / schedules not in the initial testing, they **must** inform the Virginia e-File Administrator at Ind_eFile@tax.virginia.gov and update its Questionnaire. The added forms or schedules must successfully pass testing **before** moving to Production.

Transmission Requirements

An **Authorized e-file Provider** participating in Virginia e-file as a Transmitter **must**:

- Retrieve the acknowledgement file within two business days of transmission and match it to the original transmission file;
- Send the acknowledgement file containing all conditions on accepted returns to the ERO or Intermediate Service Provider within two business days of retrieving the acknowledgement file;
- Retain an acknowledgement file until the end of the calendar year in which the return was e-filed;
- Contact the Individual e-file helpdesk at Ind_eFile@tax.virginia.gov for further instructions, if an acknowledgment of acceptance for processing has not been received within two business days of transmission;
- Correct an error that causes the transmission to be rejected;
- Ensure the security of all transmitted data and ensure against unauthorized use of its EFIN or ETIN.

If the Tax Department **accepts** the e-filed return, the **Transmitter** must notify the taxpayer of the following:

- The date the transmission was accepted
- The Submission ID

If the Tax Department rejects the e-filed return, the **Transmitter** must notify the taxpayer of the following:

- The date the transmission was rejected and what the reject code(s) mean;
- Steps to take to correct the errors; and
- The taxpayer must file a timely **paper** return:
 - if the taxpayer chooses not to have the electronic return corrected / transmitted to the Tax Department, or
 - if the Virginia Tax Department cannot accept the return for processing.

A Transmitter that receives returns from an Intermediate Service Provider for Online Filing must adhere to the same requirements as a Transmitter that transmits ERO returns received from Intermediate Service Providers.

Additional Requirements for Transmitters Participating in Online Filing

Transmitters participating in Online Filing must follow all of the above requirements and also **must**:

- Ensure the transmission includes the assigned Online Filing EFIN in the appropriate field;
- Ensure that the Intermediate Service Provider's EFIN is included in the electronic return data, when applicable;
- Assign a Submission ID to each taxpayer's return and include it in the e-filed transmission;
- Notify the taxpayer of the return's status electronically within two business days of retrieving the acknowledgement file or by mail within one business day of retrieving the acknowledgement file;
- Provide the Internet Protocol Information (Address, Date, Time and Time Zone of the computer used to e-file);
- Include the "Online" in the "Originator Type Code" schema element.

PDF – Binary Attachments

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

A missing document letter requesting the document in paper format will be sent out to the users if the PDF attachment(s) are missing or not properly attached to the Virginia Return, including the Reference Document ID.

Users **must**:

- either have a scanner that allows them to scan documents into a PDF file; or
- have another tool that allows them to save a Word / Excel file into a PDF.

Approved e-file tax preparation software **must**

- provide the necessary instructions for creating, scanning or exporting documents in PDF format; and
- submit these documents as attachments that are required by Virginia.

Names and Descriptions for PDFs

For all PDF attachments, the preparation software must provide the taxpayer the ability to enter a meaningful description.

Virginia requires a separate PDF file and **ReferenceDocumentID** for each attachment.

For example, if three out-of-state returns are needed, each out of state return attachment is required to be sent in a separate PDF file with a separate **ReferenceDocumentID**. The same applies to Credits on Schedule CR that require PDF attachments.

PDF File Guidelines

When creating a PDF file for the e-File submission, follow these guidelines. The IRS and Virginia Tax Department need a readable PDF using any compatible software that creates a PDF.

- Do not password-protect or encrypt PDF attachments.
- Do not exceed 60MB (uncompressed) for each PDF file.
- Keep binary attachments as small as possible.
NOTE: Exporting a document to create the PDF makes a much smaller file compared to scanning it.
- Set the compression/quality on the “Create PDF From Scanner” to higher compression in order to lower the file size when the source document is of adequate quality and from scanner input.
- Avoid requiring compatibility with Adobe Acrobat versions earlier than Version 8; it increases the file size.
- Each PDF must start with **%pdf-** and end with **%%EOF**.
- The return rejects if a PDF is not properly formatted.
NOTE: This error occurs if action is taken by the submitter to alter a PDF outside of the product that created it.

Create the PDF File

Create one Binary Attachment XML document for each binary attachment in the Submission. There is a one-to-one relationship between the PDF file and the Binary Attachment XML document that describes it.

- In the “AttachmentLocation” element – provide the PDF file with a name, including the extension.
- In the “Description” element – provide a brief meaningful and unique description of the file contents.

PDF File Name

- The file name must **exactly match** the name provided in the “AttachmentLocation” element and is case sensitive.
- The schema for the Binary Attachment document is defined in the file named “BinaryAttachment.xsd”.

“Description” Element

- The “Description” element in the BinaryAttachment.xsd cannot exceed 128 characters.
- Make it as meaningful as possible; the description is displayed to the IRS User to identify contents of the file.
NOTE: Out of State return or Form 301 is meaningful, while Other, Miscellaneous and Form Attachment are not.

Create the PDF File (con't)

Create Reference

- The references (if any) are created from the element(s) to which the PDF file is “attached” to the “Binary Attachment XML document.”
- If the PDF file is to be attached to an element for a line/form/schedule, create a reference from the element to the Binary Attachment XML document.

Number of Attachments

- The number of binary attachments must be included in the submission in the binaryAttachmentCount attribute.
- This is used to indicate the number of binary attachments in the return, for the element ReturnHeader.

Attachment Folder

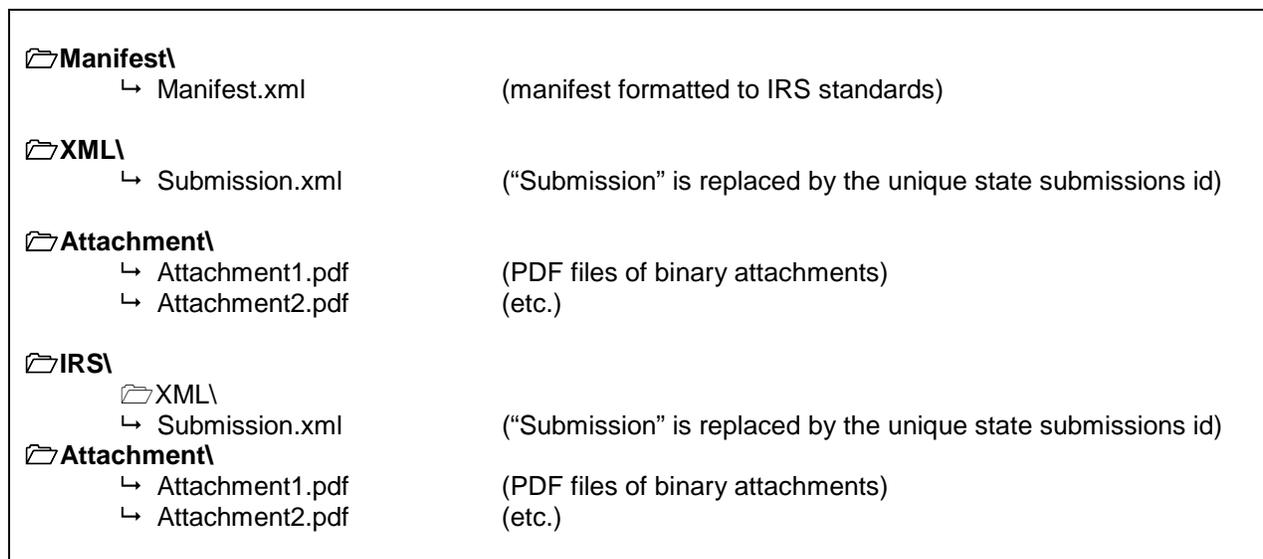
- Include the PDF file in the attachment folder in the submission zip.
- Like-kind binary attachments should be placed adjacent to each other in the submission data XML.

File Structure & Return Packaging

Transmitters can transmit federal and state submissions using Web Services. A state submission contains XML data and binary attachments. The state return may also contain a copy of part or all of the taxpayer's federal return. The state determines what part of the federal return the taxpayer should include in the state submission.

Like a federal submission, the state submission must be zipped into its own file and placed into the container zip file. This file is then attached to the Send Submissions service request. Federal and state submissions can be included in the same attachment (container zip file) each in their own zip file.

The state submission or filing under Individual Income e-File is a zipped package. The following diagram shows the structure of the unzipped return package. The leading slash, “/” is optional. The submission is accepted with or without it.



A federal or state submission must include the **/manifest** and **/xml** archive directories and may include an optional **/attachment** directory.

If the submission is a state submission, the same archive directories will contain the state submission manifest, state submission and PDF documents attached to state submission, respectively.

In addition to these archive directories, a state submission may also include optional **/irs/xml** and **/irs/attachment** archive directories. If present, they contain the federal submission and PDF documents attached to the federal submission.

A Sample non-XML Document Attached to the Submission

If the node type defined in the schema begins with 'VAREf',

- it must have attached documentation; and
- it must have an attribute called 'referenceDocumentId'.

Any Binary Attachment node must have an attribute called 'documentID'. The documentIDs used must be unique.

The **referenceDocumentID** attribute value must match exactly the value of the attribute called 'documentID' in a Binary Attachment node in the return XML. If not, it will fail schema validation.

Example:

```
documentId="1"  
documentId="2"
```

Or

```
documentId="PDFAttach1"  
documentId="PDFAttach2"
```

The "AttachmentLocation" element in the Binary Attachment node in the return XML contains the name of the PDF file. The file name is case sensitive and must exactly match the name of the file attached to the submission.

If not, it will fail the schema validation. See the **example highlighted** below.

Use the following guidelines to include binary attachment(s).

- Include total number of binary attachment(s) in the binaryAttachmentCount attribute in the ReturnHeader element.
- **<ReturnHeaderState binaryAttachmentCount="1">**

Example of binary attachment linking an element:

```
<AdditionToTax>  
<UnderestimateTax>2479</UnderestimateTax>  
<Form 760C referenceDocumentId="1">X</Form 760C>  
</AdditionToTax>  
<BinaryAttachment documentId="1">  
<Reference>UnderestimateTax</Reference>  
<DocumentType>PDF</DocumentType>  
<Description>760C</Description>  
AttachmentLocation>760C.pdf</AttachmentLocation>  
</BinaryAttachment>
```

e-File Software Acceptance, Testing and Approval Guidelines

This section includes information for testing Virginia Individual Income e-File returns through the e-File platform (Assurance Testing System, ATS). Based on the current Virginia schemas, included in the separate e-File Test Package, are multiple test scenarios meeting the required test criteria for acceptance into the Individual Income Fed/State e-File Program.

It is not required that software provide for all forms or schedules, nor for all occurrences of a particular form or schedule. To schedule testing, e-mail the Virginia e-File Administrator at Ind_eFile@tax.virginia.gov prior to submitting tests.

Test returns must be transmitted through the IRS ATS System. Virginia requires a copy of the complete federal return in the state submission, including binary attachments. The transmission method is a Web Service using Simple Object Access Protocol (SOAP) with attachment messaging.

Return data is formatted using XML. Each return should be in a separate submission and multiple submissions may be within a single message payload.

Software developers will be notified of the test results and approval by email.

Testing Purpose

The purpose of testing prior to live processing is to ensure that the following conditions are met.

- Software is correctly formatted
- Schemas agree with Virginia specifications
- Edits agree with Virginia specifications
- Electronic submissions are retrieved and processed correctly
- Transmitters retrieve responses from e-File including acknowledgement files

Who is Required to Test

Tax software developers and transmission software developers planning to participate in the Virginia Individual Income Fed/State e-file Program must submit tests and be approved prior to submitting live TY2014 Virginia returns.

Prior to testing, all software developers and transmitters must have obtained an ETIN and an EFIN from the IRS.

Test Submissions Schedule

Test submissions to Virginia are scheduled to begin November 10, 2014. This is subject to change depending on IRS ATS system availability and Virginia availability. Software developers may transmit test returns for TY2014 until the IRS e-File system shuts down, which is determined during filing season.

Transmitting Test Submissions

Software developers should email the Business e-File Help Desk at Ind_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 e-File 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.

What is Tested

The test package contains **multiple test scenarios** consisting of various forms/schedules/attachments to be submitted for product/software approval. Testing scenarios will be provided in the **Individual Income e-File Test Package**, once Individual Income tax form/schedule instructions are posted.

The range of test social security numbers is 400-00-7000 through 400-00-7099. Virginia only accepts these SSNs during testing. If a **live return** is submitted with a SSN with this range, it will be **rejected**.

It is strongly urged to support the Virginia Individual Income tax form packages Forms 760CG, 760PY and 763 in addition to all schedules. However, the test scenarios may be submitted with adjustments for those schedules not supported. For example, credit(s) on the return from Schedule CR may be omitted if the Schedule CR is not supported.

Testing of additional conditions is permitted. SSNs used for the test scenarios in the Individual Income e-File Test Package must not be used on additional tests. If interested in testing additional conditions, Developers must notify the Virginia Electronic Filing Administrator at Ind_efile@tax.virginia.gov.

Acknowledgements on Test Submissions

Virginia sends acknowledgements to the IRS e-File Fed/State Acknowledgement System in the format defined by the IRS Acknowledgement schema for both testing and production (efileAttachment.xsd).

Automated acknowledgements are sent through Virginia's ATS system for the returns received. Allow 3 – 5 business days to receive state acknowledgments. Vendors may transmit a test return package as many times as necessary until no error message is received.

Once the test package passes business rules and schema validations, vendors can provide Submission IDs to the e-File Administrator at the Ind_eFile@tax.virginia.gov mailbox for it to be reviewed. Software developers will be notified of the test results and approval by email.

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

Software Approval

For final approval, the software vendor must transmit all test returns in one single transmission **without errors** which includes business rules error, schema errors and errors pointed out by the Virginia e-File unit.

The software vendor must confirm receipt of the state acknowledgements. They should coordinate ATS test submissions with the submission of paper forms for testing and approval whenever feasible to avoid delays in full approval.

Once testing is complete, an email is sent to the software developer vendor to confirm the product(s) approval and to request the company logo (125 x 40) and the company URL to be added to the Tax Department's website as an approved Virginia certified software product.

If a software developer initially tested with limitations and later decided to support additional forms or schedules not included in the initial testing, the software developer **must** inform the Virginia Electronic Filing Administrator at Ind_eFile@tax.virginia.gov. The added forms or schedules **must** successfully pass testing before moving to Production.

Appendix Information

Information contained in Appendices A, B or C can be found beginning with [Appendix A](#).

Appendix A – Schema Validation Business Rules

Rule Number	Business Rules
VAFORMS – 002	The PDF Files cannot be found in the submission.
VAFORMS – 003	The document ID could not be found in the submission.
VAFORMS – 004	Document does not pass the schema validation.
VAFORMS – 005	IRS information is missing.

Appendix B – Business Rules

Form 760CG

Rule Number	Business Rules
760-001	Schedule OSC must be present when Out of State Credit is claimed on Form 760CG Line 25.
760-003	Birth Date for Primary Taxpayer and/or Secondary Taxpayer must be present.
760-004	Federal Form 1040, or 1040A or 1040EZ must be present.
760-007	Primary SSN (PSSN) or Secondary SSN (SSSN) cannot duplicate the PSSN or SSSN of a previously accepted return for the tax year being filed.
760-014	The same SSN cannot be used for the Primary SSN and Secondary SSN on a return.
760-019	Secondary SSN is required for Filing Status "2" and "3".
760-020	Schedule CR/CG must be present when CR Credits are claimed on Form 760CG Line 27.
760-022	Total VAGI on Form 760CG Line 9 must equal Federal Adjusted Gross Income Line 1 plus Additions on Schedule ADJ/CG Line 3 minus Primary and Secondary Taxpayer Qualifying age deduction on Form 760CG Line 4A and/or Line 4B minus Social Security Act/Tier 1 Railroad Retirement Act benefits on Form 760CG Line 5 minus State Income Tax overpayment on Form 760CG Line 6 minus Subtotal Subtractions on Schedule ADJ/CG Line 7.
760-023	Credit for Low Income on Form 760CG Line 24 must equal the Credit for Low Income Individuals amount claimed on Schedule ADJ/CG Line 17.
760-024	The sum of Spouse Tax Adjustment on Form 760CG Line 18 plus Tax Credit for Low Income Individuals or Earned Income Credit from Schedule ADJ/CG Line 17, plus the sum of Credit for tax paid to another state from Schedule OSC(s)/CG Line 31, plus the Credit for Political Contributions from 760CG Line 26, plus the Total Nonrefundable Credits from Schedule CR Section 2 Line 1A cannot be greater than the Net Tax on Form 760CG Line 17.
760-026	Schedule ADJ/CG must exist when Additions on Form 760CG Line 2 are greater than zero.
760-027	Additions on Form 760CG Line 2 must equal the Total Additions claimed on Schedule ADJ/CG Line 3.
760-028	Schedule ADJ/CG must exist when Deductions on Form 760CG Line 14 are greater than zero.
760-029	Deductions from VAGI on Form 760CG Line 14 must equal the Total Deductions claimed on Schedule ADJ/CG Line 9.
760-038	Vendor ID must be a valid/approved ID.
760-044	Secondary SSN must not be present when Filing Status equals "1."
760-048	ERO PIN must not be present for on-line return.
760-050	Standard/Itemized Deductions on Form 760CG Line 12 must equal Itemized Deductions Line 10 minus State/Local Income Tax Line 11.
760-051	Standard Deduction amount on Form 760CG Line 12 must not be greater than the maximum amount allowed based on the filing status.
760-058	Net Tax on Form 760CG Line 19 must equal zero or null when Total VAGI Line 9 is less than the Filing Threshold.
760-059	Virginia Taxable Income on Form 760CG Line 16 must be the difference between Virginia Adjusted Gross Income Line 9 minus Standard/Itemized Deduction Line 12, minus Exemptions Line 13 and minus Deductions Line 14.
760-060	The Tax Amount on Form 760CG Line 17 must equal the amount of tax computed using the Tax Rate Schedule for the tax year being filed.
760-070	Bank Account Number and the Bank Routing Number must be present when Direct Bank Deposit option is selected for the Refund.
760-071	Direct Bank Deposit Checkbox or Debit Card Checkbox must be marked if Refund is greater than zero.
760-080	Schedule ADJ/CG must exist when Subtractions on Form 760CG Line 7 are greater than zero.
760-081	Subtractions on Form 760CG Line 7 must equal the Total Subtractions on Schedule ADJ/CG Line 7.
760-082	Spouse Tax Adjustment on Form 760CG Line 18 may not exceed \$259.00.
760-083	Filing Status must equal "2" to claim the Spouse Tax Adjustment on Form 760CG Line 18.
760-090	The total Virginia State Income tax withholdings on Form 760CG Line 20A and/or Line 20B must be equal to or less than the sum of Virginia State Withholdings on Form W-2, Form W-2G, Form 1099-R, Form 1099-G, Form 1099-MISC, 1099-INT and Schedule VK-1.
760-095	The Addition to Tax, Penalty and Interest on Form 760CG Line 34 must equal the sum of Additions to Tax Line 18, Penalty Line 19, and Interest Line 20 on Schedule ADJ/CG.

Form 760CG (con't)

Rule Number	Business Rules
760-100	Schedule VAC/CG must exist when VA College Savings Plan Contributions on Form 760CG Line 32 are greater than zero.
760-101	VA College Savings Plan Contributions on Form 760CG Line 32 must equal the Total Amount claimed on Schedule VAC/CG Section 1.
760-102	Total amount on Schedule VAC/CG Section 1 must equal the sum of all Section 1 Contribution Amounts.
760-105	Schedule VAC/CG must exist when Other VAC Contributions on Form 760CG Line 33 are greater than zero.
760-106	Other VAC Contributions on Form 760CG Line 33 must equal the Total Voluntary Contributions claimed on Schedule VAC/CG Section 2 Line 14.
760-107	Total Voluntary Contributions on Schedule VAC/CG Section 2 Line 14 must equal the sum of all Voluntary Contributions on Lines 2 – 13.

Schedule ADJ/CG

Rule Number	Business Rules
760ADJ-010	Earned Income Credit claimed on Federal Return on Form 760CG must be greater than zero when Federal Earned Income Credit on Schedule ADJ/CG Line 14 is greater than zero.
760ADJ-011	Explanation must be provided for Addition Code 99.
760ADJ-012	Explanation must be provided for Subtraction Code 99.
760ADJ-013	Explanation must be provided for Deduction Code 199.
760ADJ-014	Total Additions on Schedule ADJ/CG Line 3 must equal the sum of Interest on obligations of other state Line 1 plus Fixed date conformity addition Line 2A plus Other Additions.
760ADJ-015	Total Deductions on Schedule ADJ/CG Line 9 must equal the sum of all Other Deductions.
760ADJ-016	The Subtractions on Schedule ADJ must equal the sum of Income from US obligations/securities Line 4 plus Disability Income reported as wages Line 5A and/or 5B plus Fixed Date Conformity Line 6A, and plus all other Subtractions claimed on Schedule ADJ/CG, Lines 6B, 6C and 6D.

Schedule CR/CG

Rule Number	Business Rules
SchCR-010	Total Current Year Credits on Schedule CR/CG Section 5 Line 1A must equal the sum of all credits being claimed on Schedule CR/CG.
SchCR-020	Total Current Year Credits on Schedule CR/CG Section 5 Line 1A must equal CR Credits on Form 760CG Line 27.
SchCR-030	Total Current Year Credits on Schedule CR/CG Section 5 Line 1A must equal the CR Credits on Form 763 Line 27.
SchCR-040	Total Current Year Credits on Schedule CR/CG Section 5 Line 1A must equal the CR Credits on Form 760PY Line 27.

Schedule OSC/CG

Rule Number	Business Rules
SchOSC-012	Filing Status claimed on the other state's tax return is required on Schedule OSC/CG Line 1 and/or Line 11 and/or Line 21 when the Credit for Tax paid to Another State is claimed.
SchOSC-020	The sum of Total Credit from all Schedule OSC(s)/CG Line 31 must equal the Credit tax paid to another state on Form 760CG Line 25.
SchOSC-030	The sum of Total Credit from all Schedule OSC(s)/CG Line 31 must equal the Total Credit for taxes paid to another state on Form 760PY Line 25.
SchOSC-040	The sum of Total Credit from all Schedule OSC(s)/CG Line 31 must equal the Total Credits from Schedule OSC on Form 763 Line 25.

Schedule VAC/CG

Rule Number	Business Rules
SchVAC-010	Total VA College Savings Plan Contributions on Schedule VAC/CG Section 1 must equal the sum of all Section 1 Contribution Amounts.
SchVAC-020	Total Voluntary Contributions on Schedule VAC/CG Section 2 Line 14 must equal the sum of all Voluntary Contributions on Lines 2 - 13.

Form 760PY

Rule Number	Business Rules
760PY-010	Vendor ID must be a valid/approved ID.
760PY-030	ERO PIN must not be present for on-line return.
760PY-040	Federal Form 1040, or 1040A or 1040EZ must be present.
760PY-060	The same SSN cannot be used for the Primary SSN and Secondary SSN on a return.
760PY-070	Primary SSN (PSSN) or Secondary SSN (SSSN) cannot duplicate the PSSN or SSSN of a previously accepted return for the tax year being filed.
760PY-080	Secondary SSN is required for Filing Status "2", "3", or "4".
760PY-100	Primary and Secondary taxpayers Dates of Residence must be present for Filing Status "2" or "4."
760PY-110	Primary taxpayer's Dates of Residence must be present for Filing Status "1" or "3."
760PY-120	Residence "To" date must be greater than "From" date and Residence "To" and "From" dates must be within the tax year for which the return is being filed.
760PY-130	Secondary SSN must not be present when Filing Status equals "1."
760PY-150	Spouse's information must not be present in Column B for Filing Status "1", "2", or "3".
760PY-160	Total Adjusted Gross Income on Form 760PY Line 1 must equal the Total Adjusted Gross Income on Schedule of Income Part 1 Line 7 Column A1 and/or B1.
760PY-170	Schedule 760PY ADJ must be present when Additions on Form 760PY Line 2 or Subtractions on Form 760PY Line 8 or Deductions on Form 760PY Line 15 or Tax Credit for Low Income Individuals/Virginia Earned Income Credit on Form 760PY Line 24 or Addition to Tax, Penalty and Interest on Form 760PY Line 34 is greater than zero.
760PY-180	Combined Social Security for You and Spouse in the Check Applicable Boxes section on Form 760PY must be greater than zero when Taxable Social Security/Tier 1 Railroad Retirement Act Benefits is claimed on Form 760PY Line 5 Column A and/or B.
760PY-190	The Income attributable to the period of residence outside of Virginia on Form 760PY Line 7 Column A and/or B must equal the Income While NOT a Virginia Resident on the Schedule of Income Part 1 Line 9 Column A3 and/or B3.
760PY-200	Virginia Adjusted Gross Income on 760PY Line 10 Column A and/or B must equal Adjusted Gross Income on Form 760PY Line 1 Column A and/or B plus the sum of Additions to Adjusted Gross Income on Form 760PY Line 2 Column A and/or B minus the Primary and Secondary Taxpayer Qualifying age deduction on Form 760PY Line 4 Column A and/or B minus the Social Security Act/Tier 1 Railroad Retirement Act benefits on Line , Column A and/or B minus State and local income tax refund on Line 6 Column A and/or B minus Income attributable to period of residence outside Virginia on Line 7 Column A and/or B minus the sum of Subtractions from Adjusted Gross Income on Line 8 Column A and/or B.
760PY-210	The Virginia Itemized Deductions on Form 760PY Line 13 Column A and/or B must equal Itemized Deductions paid while a Virginia resident on Form 760PY Line 11 Column A and/or B minus State and local income taxes paid while a Virginia resident and claimed on Federal Schedule A on Form 760PY Line 12 Column A and/or B.
760PY-220	Standard Deduction amount on Form 760PY Line 13 Column A and/or B must not be greater than the maximum amount allowed based on the filing status.
760PY-230	Tax amount on Form 760PY Line 18 Column A and/or B must equal zero or null when Virginia Adjusted Gross Income on Line 10 is less than the Filing Threshold.
760PY-240	Virginia Taxable Income on Form 760PY Line 17 Column A and/or B must equal the Virginia Adjusted Gross Income on Form 760PY Line 10 Column A and/or B minus the Virginia Itemized/Standard Deduction on Form 760PY Line 13 Column A and/or B minus the Prorated exemption amount on Form 760PY Line 14 Column A and/or B and minus the Deductions on Form 760PY Line 15 Column A and/or B.

Form 760PY (con't)

Rule Number	Business Rules
760PY-250	The Tax Amount on Form 760PY Line 18 Column A and/or B must equal the amount of tax computed using the Tax Rate Schedule for the tax year being filed.
760PY-260	The total Virginia State Income tax withholdings on Form 760PY Line 20a and/or Line 20b must be equal to or less than the sum of Virginia State Withholdings on Form W-2, Form W-2G, Form 1099-R, Form 1099-G, Form 1099-MISC, Form 1099-INT and Schedule VK-1.
760PY-270	Credit for Low Income on Form 760PY Line 24 must equal the Credit for Low Income Individuals amount claimed on Schedule 760PY ADJ Line 17.
760PY-280	Schedule OSC/CG must be present when Out of state credit is claimed on Form 760PY Line 25.
760PY-290	Schedule CR/CG must be present when CR Credits are claimed on Form 760PY Line 27.
760PY-310	The sum of Tax Credit for Low Income Individuals or Virginia Earned Income Credit on Form 760PY Line 24 plus the sum of Total Credit for taxes paid to another state on Form 760PY Line 25 plus the Credit for Political Contributions Line 26 plus the Total Nonrefundable Credits from Schedule CR/CG Section 2 Line 1A cannot be greater than the Total Tax on Form 760PY Line 19.
760PY-320	The Addition to Tax, Penalty and interest on Form 760PY Line 34 must equal the sum of Additions to Tax on Schedule 760PY ADJ Line 18 Penalty on Schedule 760PY ADJ Line 19 and Interest on Schedule 760PY ADJ Line 20.
760PY-340	Additions on Form 760PY Line 2 Column A and/or B must equal the sum of Interest earned while a Virginia resident on Form 760PY ADJ Line 1 Column A and/or B plus Fixed date conformity addition on Form 760PY ADJ Line 2a Column A and/or B plus Other Additions on Schedule 760PY ADJ Column A and/or B.
760PY-350	Subtractions on Form 760PY Line 8 Column A and/or B must equal the sum of Income received while a Virginia resident from obligations or securities of the US exempt from state income tax on Form 760PY ADJ Line 4 Column A and/or B plus Disability income received while a Virginia resident and reported as wages on Line 5 Column A and/or B plus Fixed date conformity subtraction on Line 6a Column A and or/ B and plus Other Subtractions on Schedule 760PY ADJ Lines 6b - 6d Column A and/or B.
760PY-360	Deductions on Form 760PY Line 15 must equal the sum of all Other Deductions from Schedule 760PY ADJ Lines 8a - 8c Column A and/or B.
760PY-370	Birth Date for Primary Taxpayer and/or Secondary Taxpayer must be present.
760PY-380	Schedule VAC/CG must exist when VA College Savings Plan Contributions on Form 760PY Line 32 are greater than zero.
760PY-381	VA College Savings Plan Contributions on Form 760PY Line 32 must equal the Total Amount claimed on Schedule VAC/CG Section 1.
760PY-382	Total amount on Schedule VAC/CG Section 1 must equal the sum of all Section 1 Contribution Amounts.
760PY-390	Schedule VAC/CG must exist when Other Voluntary Contributions on Form 760PY Line 33 are greater than zero.
760PY-391	Other Voluntary Contributions on Form 760PY Line 33 must equal the Total Voluntary Contributions claimed on Schedule VAC/CG Section 2 Line 14.
760PY-392	Total Voluntary Contributions on Schedule VAC/CG Section 2 Line 14 must equal the sum of all Voluntary Contributions on Lines 2 – 13.

Form 760PY ADJ

Rule Number	Business Rules
760PYADJ-010	Spouse's information must not be present in Column B for Filing Status "1", "2", or "3".
760PYADJ-020	Explanation must be provided for Addition Code 99.
760PYADJ-040	Explanation must be provided for Subtraction Code 99.
760PYADJ-060	Explanation must be provided for Deduction Code 199.
760PYADJ-080	When Federal Earned Income Credit on Schedule 760PY ADJ Line 14 is greater than zero, the Earned Income Credit claimed on Federal Return on Form 760PY must be greater than zero.

Form 763

Rule Number	Business Rules
763-010	Vendor ID must be a valid/approved ID.
763-030	ERO PIN must not be present for on-line return.
763-040	Federal Form 1040, or 1040A or 1040EZ must be present.
763-060	The same SSN cannot be used for the Primary SSN and Secondary SSN on a return.
763-070	Primary SSN (PSSN) or Secondary SSN (SSSN) cannot duplicate the PSSN or SSSN of a previously accepted return for the tax year being filed.
763-080	Secondary SSN is required for Filing Status equals "2", "3", or "4".
763-100	Secondary SSN must not be present when Filing Status equals "1."
763-110	Schedule 763ADJ must be present when Additions on Form 763 Line 2 or Subtractions on Form 763 Line 7 or Deductions on Form 763 Line 14 or Tax Credit for Low Income Individuals/ Virginia Earned Income Credit on Form 763 Line 24 or Addition to Tax, Penalty and Interest on Form 763 Line 34 is greater than zero.
763-120	Virginia Adjusted Gross Income must equal the Adjusted Gross Income on Form 763 Line 1 plus the sum of Additions to Adjusted Gross Income on Form 763 Line 2 minus the Primary and Secondary Taxpayer Qualifying age deduction on Form 763 Line 4a and /or Line 4b minus the Social Security Act/Tier 1 Railroad Retirement Act benefits on Form 763 Line 5 minus State and Local Income Tax refund on Form 763 Line 6 minus the sum of Subtractions from Adjusted Gross Income on Form 763 Line 7.
763-130	The Virginia Itemized Deductions on Form 763 Line 12 must equal Federal Itemized Deductions on Form 763 Line 10 minus State and Local Income taxes claimed from Federal Schedule A on Form 763 Line 11.
763-140	Standard Deduction amount on Form 763 Line 12 cannot be greater than the maximum amount allowed based on the filing status.
763-150	Tax amount on Form 763 Line 19 must equal zero or null if Virginia Adjusted Gross Income is less than the Filing Threshold,
763-159	Virginia Taxable Income on Form 763 Line 16 must equal the Virginia Adjusted Gross Income Line 9 minus Standard/Federal Itemized Deductions Line 12, minus Exemption Amount Line 13, and minus Deductions Line 14.
763-160	The Tax Amount on Form 763 Line 19 must equal the amount of tax computed using the Tax Rate Schedule for the tax year being filed.
763-170	The total Virginia State Income Tax withholdings claimed on Form 763 Line 20a and/or Line 20b must be equal to or less than the sum of Virginia State Withholdings on Form W-2, Form W-2G, Form 1099-R, Form 1099-G, Form 1099- MISC, 1099-INT and Schedule VK-1.
763-180	Schedule OSC must be present when Out of state credit is claimed on Form 763 Line 25.
763-190	Schedule CR/CG must be present when CR Credits are claimed on Form 763 Line 27.
763-210	The sum of Tax Credit for Low Income Individuals or Virginia Earned Income Credit on Form 763 Line 24, plus the Total Credit for taxes paid to another state Line 25, plus the Credit for Political Contributions Line 26, plus the Total Nonrefundable Credits from Schedule CR/CG Section 2 Line 1A, cannot be greater than the Total Tax on Form 763 Line 19.
763-220	Credit for Low Income on Form 763 Line 24 must equal the Credit for Low Income Individuals amount claimed on Schedule 763ADJ Line 17.
763-230	Additions on Form 763 Line 2 must equal the sum of Interest on obligations of other states from Schedule 763ADJ Line 1 plus the Fixed date Conformity addition from Schedule 763 ADJ Line 2a, plus all Other Additions from Schedule 763 ADJ, Lines 2b - 2c.
763-240	Subtractions on Form 763 Line 7 must equal the sum of Income from obligations or securities of the US exempt from state income tax from Schedule 763ADJ Line 4 plus the Disability income received while a Virginia resident and reported as wages from Schedule 763ADJ Line 5a and/or Line 5b plus the Fixed date conformity subtraction from Schedule 763ADJ Line 6a plus all Other Subtractions from Schedule 763 ADJ, Lines 6b-6d.
763-250	Deductions on Form 763 Line 14 must equal the sum of all Other Deductions from Schedule 763 ADJ Lines 8a- 8c.
763-260	The Addition to Tax, Penalty and Interest on Form 763 Line 34 must equal the sum of Additions to Tax from Schedule 763ADJ Line 18, Penalty from Schedule 763ADJ Line 19 and Interest on Schedule 763 ADJ Line 20.

Form 763 (con't)

Rule Number	Business Rules
763-280	Birth Date for Primary Taxpayer and/or Secondary Taxpayer must be present.
763-290	Schedule VAC/CG must exist when VA College Savings Plan Contributions on Form 763 Line 32 are greater than zero.
763-291	VA College Savings Plan Contributions on Form 763 Line 32 must equal the Total Amount claimed on Schedule VAC/CG Section 1.
763-292	Total amount on Schedule VAC/CG Section 1 must equal the sum of all Section 1 Contribution Amounts.
763-300	Schedule VAC/CG must exist when Other Voluntary Contributions on Form 763 Line 33 are greater than zero.
763-301	Other Voluntary Contributions on Form 763 Line 33 must equal the Total Voluntary Contributions claimed on Schedule VAC/CG Section 2 Line 14.
763-302	Total Voluntary Contributions on Schedule VAC/CG Section 2 Line 14 must equal the sum of all Voluntary Contributions on Lines 2 – 13.

Form 763 ADJ

Rule Number	Business Rules
763ADJ-010	When Federal Earned Income Credit claimed on Schedule 763 ADJ Line 14 is greater than zero, the Earned Income Credit claimed on Federal Return on Form 763 must be greater than zero.
763ADJ-020	Explanation must be provided for Addition Code 99.
763ADJ-030	Explanation must be provided for Subtraction Code 99.
763ADJ-040	Explanation must be provided for Deduction Code 199.

Financials

Rule Number	Business Rules
FIN-006	Refund Direct Deposit identified as International ACH Transaction (IAT) is not eligible for e-File.
FIN-011	State Payment identified as International ACH Transaction (IAT) is not eligible for e-File.
FIN-015	Bank Account Number cannot equal all zeros for Refund Direct Deposits.
FIN-019	Bank Routing and Transit Number cannot equal all zeros for Refund Direct Deposits.
FIN-016	Bank Account Number cannot equal all zeros for Direct Debits.
FIN-020	Bank Routing and Transit Number cannot equal all zeros for Direct Debits.
FIN-033	For timely filed returns, the direct debit date must be on or before Return Due Date of May 1, 2015 and must be in the current year. You cannot warehouse your payment for returns submitted after May 1, 2015. Leave the payment date blank and your payment will be processed within a day or two of processing your return.
FIN-100	Payment amount cannot exceed the amount taxpayer(s) owe and the amount taxpayer(s) owe must be greater than zero.

Forms W-2 and 1099

Rule Number	Business Rules
W-2-020	The State Wages entered in W2 Box 16 cannot be greater than the Wages entered in W2 Box 1.

Appendix C – Software Developer Questionnaire

Company Name	
Name of Associated Company (if other than company name)	
Mailing Address, City, State & ZIP	
FEIN	
Website Address / URL	
Software ID	
Software Name (for each ID)	
NACTP Member ID	
Type of Software Package	<input type="checkbox"/> Professional <input type="checkbox"/> Online <input type="checkbox"/> Free File
EFIN – Test IDs	
EFIN – Production IDs	
ETIN – Test IDs	
ETIN – Production IDs	
Primary Contact Name	
Email Address	
Phone Number	
Secondary Contact Name	
Email Address	
Phone Number	

Virginia Forms/Schedules	Supported	Not Supported	Virginia Forms/Schedules	Supported	Not Supported
Form 760CG			W-2		
Schedule ADJ			W-G		
Schedule CR			1099-G		
Schedule OSC			1099-INT		
Schedule VAC			1099-MISC		
Schedule VACS			1099-R		
Form 760PY			Checkbox – Dependent on another's return		
Schedule 760PY – ADJ			Checkbox – Qualifying Farmer/Fisherman/Merchant Seaman		
Schedule of Income – 760PY			Checkbox – Overseas when due		
Form 763			Checkbox – Amended Returns		
Schedule 763 – ADJ			Checkbox – Address Change		
Schedule VK-1			Checkbox – Name or Filing Change		
Schedule FED			Checkbox – 1099-INT		
PDF Attachments					

Specify any other software limitations related to the Virginia Forms and Schedules.

How does your organization distribute software changes/updates to customers, i.e. automatic daily updates, Internet etc.?

Once notified of a software problem, how many days does it take to distribute a software change/update to customers?

Do you provide a software alert/other communication to inform customers that a software change/update is available?

How can the Virginia Tax Department help in optimizing a problem resolution process with your organization(s)?

Thank you for your time, patience and cooperation in completing this questionnaire.