

Virginia Department of Taxation



Individual Income e-File Guide and Specifications

Tax Year 2015



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Guide Overview

The Virginia Department of Taxation (the 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.

- Overview of Virginia e-File system – important to all tax professional audiences
- Software Vendor / Developer details – important to Vendors & Developers
- Electronic Return Originator & Tax Preparers' details – important to EROs & Tax Preparers
- Appendices
 - Schema Validation Rules – important to Vendors & Developers
 - Business Rules – important to Vendors & Developers
 - Sample non-XML Attachment – important to Vendors & Developers
 - Contact Information – important to all tax professional audiences
 - Website Resources – important to all tax professional audiences

General Updates

This section provides an overview of processing updates and legislative changes that impact Individual Income Tax e-Filing. Additional details can be found on the Department's [website](#) and in the Individual Income Tax return instructions.

Software Partner Agreements

Beginning for Tax Year 2015, in order to participate in the Virginia Fed/State e-File program, all vendors supporting Virginia returns must submit a Software Partner Agreement. The Department will release schema documentation once the signed Software Partner Agreement is received.

Details regarding the Software Partner Agreements are forthcoming and will be provided on the [e-File Developer Specifications Web Page](#).

TIGERS Schema – New Authentication Header

The Virginia e-File program will support the new header, which carries multiple new authentication fields to be used when e-filing Individual Income Tax return data.

Vendors must capture and pass authentication schema elements as requested by the Virginia Fed/State e-File program. Emphasis is given to obtaining and passing the Virginia Driver's License Number, the Device ID and the Ultimate Bank Account Number.

Instruction Changes – Filing Threshold & Refunds

If the Virginia Adjusted Gross Income (VAGI) is below the filing threshold (per the filing status), taxpayers must complete certain lines on the return in order to have their withholding refunded. These lines have changed from prior tax year handling. Missing data in these lines may cause the return to be rejected per Business Rules.

Please refer to the filing requirements in the Individual Income Tax instructions for each Forms 760, 760PY and 763 for details on which return lines must be populated.

Form 1099-DIV

The 1099-DIV Statement for Dividends and Distribution is now supported by the Virginia Fed/State e-File program. Software may now provide the option for taxpayers to enter 1099-DIV data with their return data.

Schedule VAC – All Parts Supported

Software supporting Virginia Returns must support both parts of Schedule VAC. Vendors will no longer be allowed to support only Part 1 (Virginia 529) or only Part 2 (Voluntary Contributions). Both parts are required.

Cities & Counties – Alphabetical Order

The Department now lists all cities and counties together in the Individual Income instructions in alphabetical order for taxpayer clarity and convenience. Software must replicate the list as it is displayed in the instructions.

Software must not shorten or cut off any part of the City or County name. For example, "Falls Church City" **must** be displayed as "Falls Church City" instead of "Falls Church"; these are separate locations.

Legislative Updates

This section provides an overview of legislative changes that impact Individual Income Tax e-Filing. Additional details can be found on the Department's [website](#) and in the Individual Income Tax return instructions.

Debit Card Option – Not Supported

The Debit Card Option for refunds is no longer available and has been removed from the Individual Income Tax returns. Taxpayers will not be allowed to opt in for a debit card. Direct deposit (preferred method) and a paper check are the only options to be displayed in software.

Virginia Identity PIN

In an attempt to prevent potential identity theft, the Department may ask taxpayers for additional information to verify that they are the taxpayer filing a return. This may result in some taxpayers being issued a Virginia Identity PIN that must be included with their return information.

Additional details are provided in the schema documentation.

Codes Added/Removed for TY 2015

- Added – Subtraction Code 55
- Removed – Subtraction Code 42
- Added – School Foundation Code 049001
- Added – School Foundation Code 067001
- Added – School Foundation Code 115001
- Added – School Foundation Code 179001
- Added – Library Foundation Code 201501

Special Instructions

Software Developers (including developers acting as EROs) must consider the language / screens presented to taxpayers when collecting data from them. For the Virginia specific section of the software, the Department's verbiage / scenarios for these specific items are provided to help avoid errors / delays for taxpayers' returns.

1099-G / 1099-INT Electronic Option

Advise taxpayers to do the following when being asked about Form 1099-G / 1099-INT.

- By checking this box, I understand the Virginia Department of Taxation will no longer mail the Form 1099-G / 1099-INT which is used when preparing the federal income tax return, if I itemize deductions and receive a state income tax refund. I, or my tax preparer, will have access to the online Form 1099-G / 1099-INT and must obtain the statement electronically each year from the Department's secure website **www.tax.virginia.gov**.
- If you no longer want to obtain the statement electronically, you must contact the Department (phone, fax or mail) to specifically request the change from electronic delivery to paper delivery.

Refunds

No references may be made to the previously supported debit card option.

The software must clearly state the turnaround times expected for these refund scenarios as set in the Individual Income Tax instructions for tax year 2015.

- Direct deposit refunds for e-filed returns = approximately 2 weeks
- Paper check refunds for e-filed returns = approximately 3 weeks
- Paper filed returns (ex. 760CG) with paper check or direct deposit refunds = approximately 8 – 9 weeks

Paying by Check

The software must provide the applicable payment voucher (Form 760-PMT or Form 760-PFF) when the taxpayer opts not to pay the tax due e-filed return by direct debit or by credit card. Instructions for e-filed returns must advise taxpayers to use the PO Box addresses for direct mailing to the Department instead of the locality office.

Advise taxpayers to do the following when paying by check for their e-filed return.

- Always use your payment voucher and mail it with your payment to the Virginia Department of Taxation address on the voucher to ensure timely and correct posting to your tax account.
- Do not mail your payment with a copy of the e-filed return to either the Department of Taxation or to your Local Office, as this can cause a problem when posting the payment to your tax account.

Virginia Identity PIN

The software must:

- Support the Virginia Identity PIN as a 7-digit alphanumeric value
- Provide / display a way for taxpayers to provide their Virginia Identity PIN for the applicable tax year
- Provide clear wording that the field is only required for taxpayers who are issued a Virginia Identity PIN
- Clearly state that the **Virginia** Identity PIN is not the **IRS** Identity PIN
- Advise that only 1 Virginia Identify PIN is required for joint filers, even if both filers are issued a PIN
- Ensure professional software advises preparers to inquire with clients if a Virginia PIN was issued

Schedule ADJ

- Do not provide / display the information for credit for Low Income / Earned Income Credit unless the taxpayer claims the credit.
- Do not populate credit information in the data elements unless the taxpayer claims the credit.

Electronic Signature Form VA-8453 – If the taxpayer opts to use the Electronic PIN method to sign the return, the software must not provide the option to print the electronic signature form.

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 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 in January when the IRS is open. This date is based upon IRS System availability and is subject to change.

For TY2015, Virginia's Individual Income e-File program will accept:

- Form 760CG
- Form 760PY
- Form 763

Virginia e-File Calendar – Tax Year 2015

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 conjunction with the IRS) November 2, 2015
- Begin transmitting returns to IRS/Virginia (To Be Determined)

Supported Tax Years

Virginia's Individual Income e-File program accepts tax original and amended returns for:

- Tax Year 2015
- Tax Year 2014
- Tax Year 2013

Forms and Schedules Not Supported

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

NOTE: The Department does not support debit transactions for IAT. Payments must be made with a paper check instead.

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 C** – Schedule for Underpayment of Estimated Tax by Individuals, Estates, and Trusts
- **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 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 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-DIV** – Dividends and Distributions
- **Form 1099-G** – Certain Government Payments
- **Form 1099-INT** – Interest Income
- **Form 1099-MISC** – Miscellaneous Income
- **Form 1099-R** – Distributions from Pensions, Annuities, Retirement, etc.

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.
- See the [Schedule FED – 760CG Details](#) document for a comparison of 760CG Line numbers to the Federal Schedule Line Numbers.

Types of Electronic 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 (via its **referenceDocumentId**) to the Virginia Return.

Missing PDF attachments and PDFs not properly attached (via its **referenceDocumentId**) 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 (ex. Page 14) 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
- 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 & Coal Employment & Production Incentive Tax Credit
- Agricultural Best Management Practices Tax Credit

Schedule OSC – PDF Attachments

If the software supports out-of-state credits claimed on Schedule OSC, then the PDF attachment of the out-of-state tax return is required for all income tax states claimed on Schedule OSC. The software must support binary attachments.

If the income is from Arizona, the District of Columbia, California or Oregon, the credit is not claimed on Virginia's Schedule OSC for Forms 760CG and 760PY.

Refund Options & Direct Debit Options

Effective January 1, 2016, refunds will only be available via direct deposit or by paper check.

The refund debit card is no longer an option for refunds. Previously issued refund debit cards with an outstanding balance are still valid and may continue to be used by taxpayers.

Refunds – Direct Deposit & Checks

If taxpayers **do not choose** the Direct Deposit option for their refunds, the Department will issue a paper check 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 14 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.

Electronic Banking Rules

Due to electronic banking rules, the Department does not allow Direct Deposit **to or through** financial institutions outside of the territorial jurisdiction of the United States. This type of transaction is known as an International ACH Transaction (IAT) and is not supported by the Department.

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

The Department supports direct debit warehousing, which allows a tax due direct debit payment to be scheduled to be processed on a date different than the return's submission date.

If an income tax return is filed after May 2, 2016, the Direct Debit Warehousing option should not be presented to the taxpayer. Payments cannot be warehoused after the May 2 due date. The payment will be processed when received.

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.

Additional e-File Related Documents

The following three documents are available on the applicable [Tax Professionals](#) subpages. Instructions on how to complete the forms are included with the document.

Software may also produce these forms; the produced forms must match the official Department versions.

- **Form VA-8453** – VA Individual Income Tax e-File Signature Authorization Form
NOTE: Software **must not** present/print this form if the e-File PIN method to sign a return is used.
- **Amended Form VA-8453** – Amended VA Individual Income Tax e-File Signature Authorization Form
- **Form VA-8879** – VA Individual Income Tax Declaration for Electronic Filing

Additional e-File Related Documents

Form 760-PMT – Payment Voucher for Individual Income Tax

The 760-PMT must be produced by the software when tax due return data is filed electronically but the payment is not filed electronically.

Filing Form 760-PMT (with payment) by May 2, 2016 will avoid a bill for tax, underpayment penalty and interest. It must be mailed directly to the Virginia Department of Taxation.

This form can be viewed on the [main Forms page](#) for the specific tax year for Forms 760CG, 760PY or 763.

Form 760-PFF – Farmer/Fisherman/Merchant Seaman Payment Voucher for Individual Income Tax

This form must be produced by the software when tax due return data for qualifying farmer, fisherman or merchant seaman is filed electronically but the payment is not filed electronically.

Filing Form 760-PFF (with payment) by March 1, 2016 will avoid a bill for tax, underpayment penalty and interest. It must be mailed directly to the Virginia Department of Taxation.

This form can be viewed on the [main Forms page](#) for the specific tax year for Forms 760CG, 760PY or 763.

Important Information

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

- For Software Vendor and Software Developer information – review the [Software / Developer](#) section.
- For ERO information – review the [Electronic Return Originator & Tax Preparer's](#) section.
- For the Appendices A, B, C or D – review 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 Tax Year 2015.

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 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, sign up for [IRS Alerts](#).

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.

GovernmentCd (Government Code)	StateSubmissionTyp (State Submission Type)	SubmissionCategoryCd (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.

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 e-file Administrator 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.

Transmission Requirements

If the 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 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 electronic return cannot be corrected and retransmitted to the 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 ISP'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 **referenceDocumentId** attribute must be used to link the attachment to the appropriate location on the return.

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.

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 are not properly attached (via its **referenceDocumentId**) to the Virginia Return, including the Reference Document ID.

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 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 by the submitter tries 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 “AttachmentLocationTxt” element – provide the PDF file with a name, including the extension.
- In the “Desc” 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 “AttachmentLocationTxt” element and is case sensitive.
- The schema for the Binary Attachment document is defined in the file named “BinaryAttachment.xsd”.

Desc Element

- The “Desc” 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 file contents.
NOTE: Out of State return or Form 301 is meaningful, while Other, Miscellaneous and Form Attachment are not.

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 binaryAttachmentCnt 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.

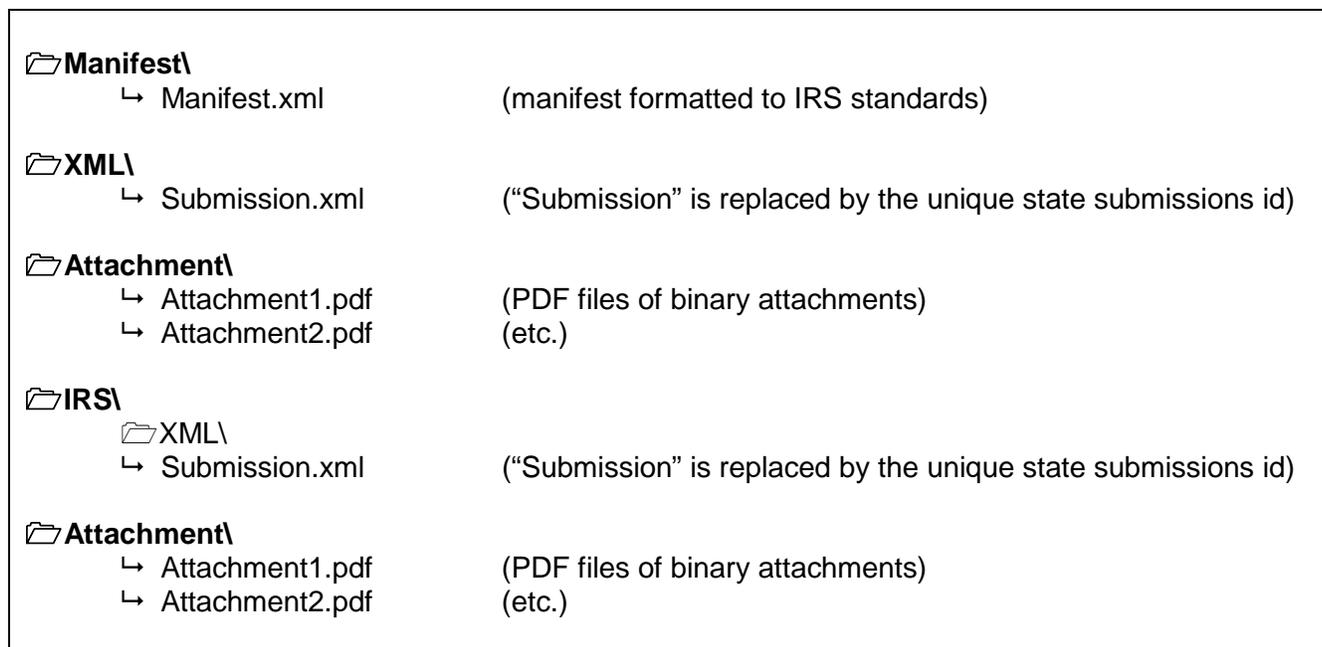
A state submission contains XML data and binary attachments.

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.

See [Appendix C](#) for an example of a non-XML PDF attachment for a submission.

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.

To schedule testing, e-mail the Virginia e-File Administrator at Ind_eFile@tax.virginia.gov prior to submitting tests. The Virginia Electronic Filing Software Partner Agreement clarifies the testing requirements.

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 TY2015 Virginia returns.

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

Test Submissions Schedule

Test submissions to Virginia are scheduled to begin November 2, 2015.

This is subject to change depending on IRS ATS system availability and Virginia availability. Software developers may transmit test returns for TY2015 until the IRS e-File system shuts down for filing season.

The Department expects initial testing for approvals to be completed before the IRS e-File processing season opening date.

Transmitting Test Submissions

Software developers should email the e-File Administrator at Ind_eFile@tax.virginia.gov prior to testing and provide the following information.

- Company name
- Contact person
- Email address
- Phone 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 e-File 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 must retransmit a test return until all tests have been accepted.

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 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 e-File 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, C or D can be found 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 for Tax Year 2015.

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 Department's investigations related to the potential fraud or abuse, which may include the Virginia Identity PIN.

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.

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 of the software or the technical support option that comes with the software package.

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

Please also contact the Department, Ind_eFile@tax.virginia.gov, with related information in order to help the Department advise and assist customers with their e-File concerns and issues.

Signing an Electronic Return

There are currently **two methods** of using a Personal Identification Number (PIN) for electronic signatures for e-filing income tax returns.

The electronic PIN forms (with details on how to use each form) are available on the Tax Professionals [Preparers & Providers](#) page.

- Self-Select e-File PIN
- Practitioner PIN

Regardless of the method used, taxpayers may enter their own e-File PINs; EROs may select and enter the taxpayers' e-File PINs; or the software may generate the taxpayers' e-File 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 can neither be entered into the software nor 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). These copies should contain all relevant data for the taxpayer (ex. banking information).

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 Administrator](#).

Accepted returns meeting the processing criteria are considered "filed." Rejected returns that fail to meet processing criteria are considered "not filed."

The reject 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

After the data is resent, the acknowledgement files must be retained for one year after transmission.

Resubmission of Rejected Tax Returns

If the 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 Department, or if the 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, specific information must be provided. Software must not prepopulate / reuse information from prior years for these fields. The banking information must be keyed in directly by the taxpayer each year.

If the correct information is not provided and entered, then the transaction will be rejected by the taxpayer's bank and the taxpayer will instead be issued a paper check.

- Routing Transit Number
- Account Number
- Type of Account – Checking or Savings

The Routing Transit Number and Account Number are located at the bottom of the taxpayer's personal check.

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 Department does not allow direct deposit of refunds outside of the US.
- Received as a paper check; 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 paper check.

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. The Virginia Tax Department also reserves the right to issue a refund via paper check instead.

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 Department will manually re-issue taxpayer's refund via paper check.

Paper Check – if the Post Office is unable to deliver the check to the taxpayer, it is returned to the Department. The taxpayer must contact the Department with a new mailing address in order to have their check reissued.

Refund Offsets

Before issuing any tax refunds the Department must first verify if the taxpayer owes the Commonwealth of Virginia for any outstanding debts as indicated on the [Refund](#) page. If taxpayer refund is reduced to satisfy any debt owed, a refund is issued for the residual balance.

- Previous Tax Years' Bill(s)
 - Other Virginia Agencies, Virginia Local Governments, Virginia Court System or IRS
- NOTE: The Code of Virginia Set-Off Debt Collection Act, Sections 58.1-520 through 58.1-535, authorizes and governs this offset program.

Direct Deposit Refunds

Taxpayers who chose the Direct Deposit option must provide accurate bank account information, which the 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 14 days or less.

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

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 and/or 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 Department acknowledges acceptance of the return data.

To check on a refund, the taxpayer needs to enter the SSN shown on the 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 760IP, by the original due date for filing the return.

Inform taxpayers of their obligations and options for paying balances owed on their returns as well as estimated tax payments for the next year.

Full details for each of these options are available on the [Payment Options](#) web page.

- Direct Debit (Electronic Funds Withdrawal)
 - Internet – the Department’s Web Payments
 - Internet or Phone – Official Payments
 - Check or Money Order with 760-PMT or 760-PFF (as applicable)
- NOTE:** When making a payment with 760-PMT or 760-PFF, **do not** attach a paper copy of the e-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**.

Additional ERO / Preparer Documents

These forms are available on the Tax Professionals [Preparers & Providers](#) page.

Tax Preparer Hardship Waiver Request Form – VA Form 8454P

Preparers may request a hardship waiver by completing Form VA-8454P, if they feel that the e-File requirement for preparing 50 or more returns electronically would cause an undue hardship.

Electronic Signature and Storage Forms VA-8453 and VA-8879

These electronic signature forms use the two PIN methods covered during the e-File program overview on Page 12. EROs **must not** send Forms VA-8453 and/or VA-8879 to the Department.

Appendix Information

Information contained in Appendices A, B, C or D 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 Form 760CG Line 2 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 Subtractions on Form 760CG 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 Form 760CG Line 24, plus Credit for tax paid to another state from Form 760CG Line 25, plus the Credit for Political Contributions from Form 760CG Line 26, plus the Total Nonrefundable Credits from Schedule CR Section 2 Line 1A cannot be greater than the Amount of 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.
760-030	Exemptions on Form 760CG Line 13 must equal the Sum of total from Exemption Section A multiplied by \$930 plus Exemption Section B multiplied by \$800.
760-038	Vendor ID must be a valid/approved ID.
760-044	Secondary SSN must not be present when Filing Status equals "1".
760-045	Federal Head of Household on Form 760CG may only be marked 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	Amount of Tax on Form 760CG Line 17 and 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 Refund Check 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, Form 1099-INT, Form 1099-DIV and Schedule VK-1.

Form 760CG

760-095	The Addition to Tax, Penalty and Interest on Form 760CG Line 34 must equal the Total Adjustments claimed on Schedule ADJ/CG Line 21.
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.
760-105	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.

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/CG Line 7 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, plus all other Subtractions claimed on Schedule ADJ/CG.
760ADJ-017	Total Adjustments on Schedule ADJ/CG Line 21 must equal the sum of Addition to Tax Line 18 plus Penalty Line 19 plus Interest Line 20.

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.
SchCR-050	Maximum Schedule CR Nonrefundable Credits on Schedule CR/CG Section 1 Part 1 Line 1A must equal Amount of Tax on Form 760/CG Line 17 minus Spouse Tax Adjustment Line 18 minus Credit for Low-Income Individuals/Virginia Earned Income Credit Line 24 minus Credit for Tax Paid to Another State Line 25 minus Credit for Political Contributions Line 26.
SchCR-060	Maximum Schedule CR Nonrefundable Credits on Schedule CR/CG Section 1 Part 1 Line 1A must equal Income Tax on Form 763 Line 19 minus Credit for Low-Income Individuals/Virginia Earned Income Credit Line 24 minus Credit for Tax Paid to Another State Line 25 minus Credit for Political Contributions Line 26.
SchCR-070	Maximum Schedule CR Nonrefundable Credits on Schedule CR/CG Section 1 Part 1 Line 1A must equal Total Tax on Form 760PY Line 19 minus Credit for Low-Income Individuals/Virginia Earned Income Credit Line 24 minus Credit for Tax Paid to Another State Line 25 minus Credit for Political Contributions Line 26.
SchCR-080	Total Nonrefundable Credits Section 2 Part 1 Line 1A must be less than or equal to Maximum Schedule CR Nonrefundable Credits on Schedule CR/CG Section 1 Part 1 Line 1A.

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.
SchVAC-030	Routing number is required when Program Type is 4 (CollegeAmerica) on Schedule VAC/CG.

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-131	Federal Head of Household on Form 760PY may only be marked 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.

Form 760PY

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 5, 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	Total Tax on Form 760PY Line 19 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.
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, Form 1099-DIV 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 Total Addition to Tax, Penalty and Interest from Form 760PY ADJ Line 21.
760PY-340	Additions on Form 760PY Line 2 Column A and/or B must equal Total Additions from Form 760PY ADJ Line 3 Column A and/or B.
760PY-350	Subtractions on Form 760PY Line 8 Column A and/or B must equal Total Subtractions from Form 760PY ADJ Line 7 Column A and/or B.
760PY-360	Deductions on Form 760PY Line 15 must equal Total Deductions from 760PY ADJ Line 9 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-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.

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.
760PYADJ-090	Total Addition to Tax, Penalty and interest on Form 760PY ADJ Line 21 must equal the sum of Addition to Tax on Schedule 760PY ADJ Line 18 plus Penalty on Schedule 760PY ADJ Line 19 plus Interest on Schedule 760PY ADJ Line 20.
760PYADJ-100	Total Additions on Form 760PY ADJ Line 3 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.
760PYADJ-110	Total Subtractions on Form 760PY ADJ Line 7 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 Column A and/or B.
760PYADJ-120	Total Deductions on Form 760PY ADJ Line 9 must equal the sum of all Other Deductions from Schedule 760PY ADJ Column A and/or B.

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."
763-101	Federal Head of Household on Form 763 may only be marked 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 on Form 763 Line 9 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.
763-145	Exemptions on Form 763 Line 13 must equal Sum of total from Exemption Section 1 multiplied by \$930 plus sum of total from Exemption Section 2 multiplied by \$800.
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.

Form 763

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, Form 1099-INT, Form 1099-DIV 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 763 ADJ Line 17.
763-230	Additions on Form 763 Line 2 must equal total additions from Form 763 ADJ Line 3.
763-240	Subtractions on Form 763 Line 7 must equal total subtractions from Form 763 ADJ Line 7.
763-250	Deductions on Form 763 Line 14 must equal total deductions from Form 763 ADJ Line 9.
763-260	The Addition to Tax, Penalty and Interest on Form 763 Line 34 must equal Total Addition to Tax, Penalty and Interest from Form 763 ADJ Line 21.
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.
763-300	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.

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.
763ADJ-050	Total Additions on Form 763 ADJ Line 3 must equal the sum of Interest on obligations of other states from Schedule 763 ADJ Line 1 plus the Fixed date Conformity addition from Schedule 763 ADJ Line 2a, plus all Other Additions from Schedule 763 ADJ.
763ADJ-060	Total Subtractions on Form 763 ADJ 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.
763ADJ-070	Total Deductions on Form 763 ADJ Line 9 must equal the sum of all Other Deductions from Schedule 763 ADJ.
763ADJ-080	Total Addition to Tax, Penalty and Interest on Form 763 ADJ Line 21 must equal the sum of Additions to Tax from Schedule 763 ADJ Line 18 plus Penalty from Schedule 763 ADJ Line 19 plus Interest on Schedule 763 ADJ Line 20.

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 2, 2016 and must be in the current year. You cannot warehouse your payment for returns submitted after May 2, 2016. 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.
1099-MISC-010	Payer Identification Number (EIN) must be present on Form 1099-MISC.

Appendix C – Sample non-XML Document Attachment

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 "AttachmentLocationTxt" 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 binaryAttachmentCnt attribute in the ReturnHeader element.
- **<ReturnHeaderState binaryAttachmentCnt="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>  
<DocumentTypeCd>PDF</DocumentTypeCd>  
<Desc>760C</Desc>  
<AttachmentLocationTxt>760C.pdf</AttachmentLocationTxt>  
</BinaryAttachment>
```

Appendix D – Virginia Contacts & Resources

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 mailbox – Ind_eFile@tax.virginia.gov

Website Resources

This section provides general website resources that impact e-Filing Individual Income tax data. Additional details can be found in the links to the Department's [website](#) as well as in the instructions for Individual Income tax returns.

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

[e-File Developer Specifications Web Page](#) – provides technical requirements, software partner agreements, 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

[Early Release Forms \(TY2015\)](#) – drafts of tax forms (TY2015)

[Web Forms](#) – all forms supported by the 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 Department's website for details regarding Virginia's date of conformity advancement with the Internal Revenue Code (IRC).