

# INSTRUCTIONS FOR COMPLETING FORM 500T

## GENERAL INFORMATION

### **Corporation Electronic Filing Mandate**

Corporations are required to file their annual income tax returns and final payments using an electronic medium in a format prescribed by the Tax Commissioner effective January 1, 2013. The Form 500T information must be included with the electronically filed corporation return. Waivers may be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the corporation. All requests for waiver must be submitted to the Tax Commissioner in writing. Mail waiver requests to: Virginia Department of Taxation, Waiver Requests, **P.O. Box 27423, Richmond, VA 23261 or fax to (804) 367-3015**. Information for filing and paying electronically is summarized below and may also be accessed by going to the Department's website, **www.tax.virginia.gov**.

### **Who is required to file Form 500T**

Every telecommunications company, as defined by statute and certified by the State Corporation Commission, must complete Form 500T. Form 500, with Form 500T, is due on the 15th day of the 4th month after the close of your taxable year.

Corporations, partnerships, and all other types of telecommunications companies must complete Form 500, Virginia Corporation Income Tax Return. Noncorporate telecommunications companies must complete both Form 500 and Form 502. A noncorporate telecommunications company

must calculate an income tax liability as if it were a corporation (using a proforma Form 500 to determine a corporate income tax liability to compare to the minimum tax) and attach Form 500T to its working papers to show calculations for the Virginia Corporation Income Tax. Form 500T, the working papers and Form 500, Virginia Corporation Income Tax Return, must all be filed with the return when it is due.

Partnerships and all other noncorporate telecommunications companies must write along the top margin of Form 500 "RETURN BY NONCORPORATE TELECOMMUNICATIONS COMPANY."

Noncorporate companies are required to submit a schedule that lists the name, address, tax identification number, and proportionate share of the telecommunications company's income and credit taxable to each entity, partner, or other person.

### **Where to obtain additional information**

If you have any questions concerning your status as a telecommunications company or the amount of your gross receipts, contact the Public Service Taxation Division of the State Corporation Commission at **P.O. Box 1197, Richmond, Virginia 23218 or at (804) 371-9480**.

### **When and where to file**

Form 500 with Form 500T is due on the 15th day of the 4th month after the close of your taxable year.

## INSTRUCTIONS

Before filling out this schedule you must first complete Lines 1 through 9 of Form 500. If a telecommunications corporation is included in a combined or consolidated corporation income tax return, see 23 Virginia Administrative Code (VAC) 10-120-86(B)(1). Items that are not specifically mentioned below are self-explanatory on the schedule.

### **PART I - Corporate Income Tax Credits**

**Line 1** Enter the Corporate Income Tax liability from Line 9 of Form 500, Virginia Corporation Income Tax Return.

**Line 2** For information on these credits refer to Form 500, Virginia Corporation Income Tax Return instructions.

### **PART II - Minimum Tax Computation**

**Line 5** Minimum tax rate is 0.5% of gross receipts earned during calendar year 1996 and years thereafter. If filing a consolidated or combined return, complete the Schedule of Minimum Tax for Consolidated and Combined Filers on Page 2 of Form 500T, providing a breakdown of the minimum tax for each corporation.

**Line 7** If Line 7 is the same as the Adjusted Corporate Income Tax (Part I, Line 3), complete the balance of Form 500, Virginia Corporation Income Tax Return, beginning with Line 10, using the credits on items 2(A) through (I) of Form 500T.

If Line 7 is the same as the Minimum Tax, enter this amount on Form 500, Virginia Corporation Income Tax Return,

Line 11 and complete the balance of the Form 500 beginning with Line 12. Line 10 of Form 500 will be blank.

**SHORT TAXABLE PERIODS** — For the amounts on Line 4, and the tax rate on Line 5(A), report the gross receipts and the related tax rate for the calendar year that ended during the period; or if no calendar year ended, use the gross receipts and tax rate for the most recent calendar year which ended BEFORE the taxable period. Prorate the minimum tax on Line 5(B) by multiplying the minimum tax by the number of months in the short taxable period then dividing by 12. Enter the result on the appropriate line.

### **PART III - Noncorporate Telecommunications Companies**

A noncorporate telecommunications company must calculate its minimum tax liability. Additionally, it must calculate an income tax liability as if it were a corporation (a statement must be attached showing how the corporate income tax was calculated). If the minimum tax is greater than the calculated corporate income tax, the noncorporate telecommunications company must pay an amount equal to the difference (Line 10) when filing this schedule.

**Line 10:** Check the Noncorporate Telecommunications Company box on Form 500, enter the amount from Line 10 of Form 500T, on Form 500, in the Noncorporate Telecommunications Company section and on Line 11.