VIRGINIA BANK FRANCHISE TAX

2016

FORM 64, SCHEDULES AND INSTRUCTIONS

Commonwealth of Virginia
Department of Taxation
Richmond, Virginia
804-404-4215

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References are to the Code of Virginia, unless otherwise noted. The laws of Virginia relating to the Bank Franchise Tax are covered in Va. Code §§ 58.1-1200 through 58.1-1217.

GENERAL INSTRUCTIONS

Who Must File Form 64

1. Every incorporated bank, banking association, savings bank that is a member of the federal reserve system, or trust company organized by or under the authority of the laws of the Commonwealth; and
2. Every bank or banking association organized by or under the authority of the laws of the United States or any other state, which is doing business or has an office in the Commonwealth, or whose charter designates any place within the Commonwealth as the place of business of its principal office, whether or not such bank or banking association is authorized to transact business as a trust company; and
3. Every joint stock land bank or other bank organized under the authority of the laws of the United States upon which the Commonwealth is authorized to impose a tax.

Every entity that is a bank (as defined above) as of January 1, 2015, must file a return.

Merging Banks

If any banks merged into the filing bank during the tax year, a schedule should be included showing the U.S. obligations for the individual bank reports of condition filed by the filing bank prior to the merger.

Branch Banks

Each bank that has as of the beginning of any tax year a bank located in any locality other than the locality in which such bank's principal office is located must maintain a record of the deposits made through such branch.

Interstate Branch Banks

Legislation enacted by the 1995 General Assembly allows Virginia to "opt-in" to interstate branch banking as authorized by federal legislation. It also amends the definition of "bank" for Bank Franchise Tax purposes to recognize that an out-of-state bank with a branch in Virginia will be subject to the same tax as Virginia banks.

In the event that a multi-state bank becomes subject to the Bank Franchise Tax, the Department permits multi-state banks that are accepting deposits at branch offices in another state, including the District of Columbia, to apportion net capital based on a deposit oriented methodology similar to that currently specified by the General Assembly for apportionment among Virginia localities. However, for purposes of interstate apportionment, the existing statutory method must be modified to reflect "core" deposits and exclude time certificates of deposit of $100,000 or more.

Those that do not accept deposits must request permission from the Tax Commissioner to use an alternative method of apportionment. In order to request an alternative method, the bank must:

- file a return using an alternative method of apportioning capital;
- provide a statement regarding why the statutory method is inapplicable or inequitable as applied to the taxpayer; and
- submit an explanation of the proposed method of apportionment in sufficient detail for the Department to make a meaningful review.

In Public Document 11-182 (11/3/11), the Department developed an alternative method of apportioning a bank's capital subject to Bank Franchise Tax based on Va. Code § 58.1-409. This single property factor is a fraction, the numerator of which is the value of real and tangible property owned by the bank on December 31 plus annualized rents for 12 months immediately preceding December 31 used in Virginia, and the denominator of which is the value of real and tangible property owned by the bank on December 31 plus annualized rents for 12 months immediately preceding December 31 used everywhere.

The single property factor is only applicable when a bank, which meets the definition of "bank" under Va. Code § 58.1-1201, has one or more branches, offices or facilities in Virginia but no deposits attributed to any branch, office or facility in Virginia. This alternative method will not cause an out-of-state bank that merely owns property in Virginia (such as foreclosed homes), but does not transact a banking business at any of its Virginia properties, to be subject to the Bank Franchise Tax in lieu of the

corporate income tax. See Title 23 of the Virginia Administrative Code (VAC) 10-120-20 B 2.

Banks in Receivership or Liquidation

When the affairs of any bank are being finalized under Va. Code § 6.2-912 et seq. or under comparable provisions of the National Banking Act, a return of the assets on hand as of January 1 of each year shall be made by those having custody or control of the assets. No tax will be assessed during the period of liquidation. If any surplus remains after payment of all creditors and depositors, the liquidating officers shall ascertain the net capital of the bank just prior to each January 1 during the period of liquidation and pay the appropriate tax before any distribution of surplus. No penalty for late payment will be assessed on such payments.

When to File

On or before March 1 of each tax year. There are no provisions for an extension of time.

Where to File

Form 64 and all accompanying schedules (Schedules C - H) must be filed in DUPLICATE with the Commissioner of the Revenue for the city or county in which the principal office of the bank or trust company is located. Mailing addresses for the Commissioners of the Revenue are listed on the last page of the instructions. A bank that was formerly headquartered in Virginia should continue to file with the locality in which its principal office was located. Banks that move into Virginia should file with the locality where the first branch is established. Banks that move into Virginia via the purchase of a Virginia bank should file in the locality of the former Virginia bank's principal office. In addition, the bank must file copies of Schedules C and H with the assessing officer of each locality imposing tax on the filing bank. No payment should be submitted with Form 64.

For additional information, call or write to:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-404-4215.

You can obtain most tax forms at www.tax.virginia.gov. Tenemos servicios disponible en Español.

Assessment of Tax

The Department will issue a Notice of Assessment to each bank on or about May 1 of the taxable year.

Payment of Tax

Payment must be made on or before June 1 of the taxable year. The local tax should be paid directly to the Treasurer or designated official of each city, county or incorporated town imposing the tax. Banks are not required to file local tax payment receipts with the Department.

Penalty

Any bank which fails to file a return and pay the state tax shall be subject to a penalty of 5% of the tax due.

Interest

Interest at the rate established by Va. Code § 58.1-15 will be added to the tax if it is not paid by the due date. The interest rate is the federal "underpayment rate" plus two percent.

Official Report of Condition and Income

You must attach to Form 64, when filed, a complete copy of the official Report of Condition and Income (Call Report) required by the Comptroller of the Treasury, U.S. Department of the Treasury or the Bureau of Financial Institutions, State Corporation Commission, for the December 31 immediately preceding the current tax year. No other reports, newspaper copies or other financial statements are acceptable.

FORM 64 INSTRUCTIONS

Line 1 - Equity Capital: For purposes of reporting "Equity Capital," adjust the "Total Equity Capital" as reported on the Call Report by the amounts reported as unrealized gains or losses on available-for-sale securities.

Line 5 - U.S. Obligations Excluded: The deduction for obligations of the United States shall include all obligations of the United States exempt from state taxation under 31 U.S.C. § 3124, any other federal statute, or the U.S. Constitution.

U.S. obligations classified as "held to maturity" should be valued at amortized cost and U.S. obligations classified as "available for sale" should be valued at market value.

A partial list of organizations and their taxable status for purposes of the Virginia exclusion is given below. For information on organizations not listed, contact the Department at 804-404-4215.

Issuing Organization	Tax Status
Armed Services Mortgage Insurance	Exempt
Asian Development Bank	Taxable
Banks for Cooperatives	Exempt
Commodity Credit Corporation	Exempt
Export-Import Bank of the United States	Exempt
Farmers Home Administration	Taxable
Federal Deposit Insurance Corporation (FDIC)	Exempt
Federal Farm Credit Bank (FFCB)	Exempt
Federal Financing Bank	Exempt
Federal Home Loan Bank (FHLB)	Exempt
Federal Home Loan Bank Stock	Exempt
Federal Home Loan Mortgage Corp.(FHLMC)	Taxable
Federal Housing Administration (FHA)	Taxable
Federal Intermediate Credit Bank	Exempt
Federal Land Bank	Exempt
Federal National Mortgage Association (FNMA)	Taxable
Federal Reserve Stock	Exempt
Federal Savings and Loan	Exempt
Financial Assistance Corporation	Exempt
Financing Corporation (FICO)	Exempt
General Services Administration (GSA)	Taxable
Government National Mortgage Assn. (GNMA)	Taxable
Guam, Government of	Exempt
Federal Savings & Loan Insurance Corp. (FSLIC)	Exempt
Inter-American Development Bank	Taxable
International Bank for Reconstruction & Development	Taxable
Maritime Administration	Taxable
Mutual Mortgage Insurance Fund	Exempt
National Defense Housing Insurance	Exempt
Private Export Funding Corporation (PEFCO)	Taxable
Production Credit Association	Exempt
Puerto Rico, Government of	Exempt
Rental Housing Insurance	Exempt
Resolution Trust Commission (RTC)	Exempt
Samoa, American	Exempt

Issuing Organization	Tax Status
Small Business Administration (SBA)	Taxable
State & Local Issued Obligations	Taxable
Student Loan Market Association (SLMA)	Exempt
Tennessee Valley Authority (TVA)	Exempt
United States Savings Bonds	Exempt
United States Postal Service	Exempt
United States Treasury Bills, Notes, and Bonds	Exempt
United States Gov't Guaranteed Notes-HUD	Taxable
Virgin Islands, Government of	Exempt
War Housing Insurance	Exempt

Line 7 - Goodwill Deduction: Banks are allowed to take a Bank Franchise Tax deduction of up to 90% of goodwill created in connection with the acquisition or merger of a bank on or after July 1, 2001, for purposes of determining a bank's capital subject to the Bank Franchise Tax. The deduction is available for Bank Franchise Tax that is payable on or after January 1, 2002. The Goodwill Deduction may be claimed on Line 7 of Form 64. A separate schedule (not provided) indicating the amount of goodwill and showing the deduction computation must be attached.

Line 8 - Interest Related to Intangible Assets of Affiliates: When a bank receives interest from an affiliated corporation in connection with the acquisition, ownership, use, or disposition of patents, trademarks, copyrights and similar property by the affiliate, the deduction of interest may be disallowed on the affiliate's Corporate Income Tax return. The bank would be allowed a deduction from its gross capital for any portion of the interest that the affiliate must add back under Va. Code § 58.1-402 B(9) provided that: (i) the interest added back by the affiliate was paid to the bank by the affiliate, (ii) at the time of the payment to the bank the affiliate was a "related member" as that term is defined in Va. Code § 58.1-302, and (iii) the interest has not otherwise been deducted or excluded from the bank's gross capital. Report such interest on Line 8 of Form 64 and attach a statement providing the name, federal employer identification number, and Virginia account number of the affiliate together with a detailed explanation of the transaction generating the interest, the taxable year or years for which the addback was made by the affiliate, and the date on which the affiliate's liability for the addback was finally determined.

Line 16 - Tax Rate Schedule: Rates are provided for new banks that have not been in business for a full year before the January 1 date for valuing the taxable capital. The prorated tax rates are as follows:

- Transacting business on or before March 31, 2015, $1 of tax per $100 of net taxable capital.
- Transacting business as of June 30, 2015, but not before April 1, 2015, $.75 of tax per $100 of net taxable capital.
- Transacting business as of September 30, 2015, but not before July 1, 2015, $.50 of tax per $100 of net taxable capital.
- Transacting business as of December 31, 2015, but not before October 1, 2015, $.25 of tax per $100 of net taxable capital.

For purposes of the Tax Rate Schedule, "transacting business" means accepting deposits from customers in the regular course of doing business. A bank shall be eligible for the prorated tax rate with respect to the first return it is required to file after accepting deposits. A bank shall not be eligible for the prorated tax rate if it was organized or created as a part of a reorganization within the meaning of Internal Revenue Code § 368(a).

Line 19-25 - Tax Credits: The following rules apply when claiming credits on Form 64, Lines 19 through 25.

- A credit may only be claimed against the state Bank Franchise Tax due on Line 18 of the return.
- Tax credits should be claimed in the order in which they provide the maximum benefit, regardless of the order shown on the form.
- Claim only as much credit as can be used to offset tax liability and keep accurate records of the carryover available for each credit.

Line 19 - Neighborhood Assistance Act Tax Credit: The Virginia Neighborhood Assistance Tax Act provides tax credits to businesses that donate money, marketable securities, property, limited professional services and contracting services directly to pre-approved Neighborhood Assistance Program organizations whose primary function is to provide educational or other qualified services for the benefit of low-income families. Licensed veterinarians, physicians, dentists, nurses, nurse practitioners, physician assistants, optometrists, dental hygienists, pharmacists, professional counselors, clinical social workers, clinical psychologists, marriage and family therapists, physical therapists, chiropractors, pharmacists and physician specialists who donate their services for an approved clinic, and mediators certified by the Judicial Council of Virginia may also be eligible for tax credits. In addition, a trust, or a fiduciary for a trust, may receive a tax credit for a donation made to an approved organization. The amount of credit attributable to a partnership, S corporation or limited liability company must be allocated to the partners, shareholders, or members in proportion to their ownership or interest in the partnership S corporation, or limited liability company. Any unused tax credits may be carried forward for the next five taxable years. To claim the tax credit, a certificate from the Department of Social Services or the Department of Education must be attached to your return.

For a list of approved organizations or additional information, contact:

Virginia Department of Social Services
Neighborhood Assistance Program
801 E. Main Street
Richmond VA 23219-3301
or the
Virginia Department of Education
Division of Finance and Operations
25th Floor, P.O. Box 2120
Richmond, Virginia 23218-2120.

To claim the Neighborhood Assistance Act Tax Credit, enter the total credit amount on Form 64, Line 19 and attach a copy of the applicable certificate from the Department of Social Services or the Department of Education to your return.

Line 20 - Enterprise Zone Act Credit: Qualified banks located within an Enterprise Zone that have initiated the use of the Enterprise Zone General Income Tax Credit or have a signed agreement with the Commonwealth regarding the use of such credits in place by July 1, 2005, may be eligible based on job creation to take a credit against the tax due on zone taxable income in an amount equal to

80% of the tax due for the first year and 60% of the tax due for the second through the tenth years. Excess general tax credit, if any, may not be carried forward. Such credits are authorized through Fiscal Year 2019.

In addition, qualified banks located within an Enterprise Zone that have initiated the use of the Enterprise Zone Investment Tax Credit or have a signed agreement with the Commonwealth regarding the use of such credits that is in place by July 1, 2005, may be eligible for a credit against zone taxable income. The Enterprise Zone Investment Tax Credit can be carried forward until the full amount is used. Such credits are authorized through Fiscal Year 2019. If the amount of credits requested by taxpayers during the taxable year exceeds the annual appropriation, the Virginia Department of Housing and Community Development (DHCD) will issue a proportionate amount of credits to each qualified business firm requesting the credits.

To claim this credit, complete Form 301 and transfer the computed amount to Form 64, Line 20. Banks qualified by the state prior to July 1, 1995, are required to include a copy of each Certification of State Unemployment Tax Credit from the Virginia Employment Commission and the Certificate of Qualification from the Virginia Department of Housing and Community Development. Banks qualifying after July 1, 1995, must attach the Certificate of Qualification to their return. To obtain the forms necessary to qualify for this credit and additional information, contact:

Virginia Department of Housing and Community Development
Community Revitalization & Development Office
Special Needs Housing
Main Street Centre
600 East Main Street, Suite 300
Richmond, VA 23219-1321
804-371-7030
www.dhcd.virginia.gov.

Line 21 - Major Business Facility Job Tax Credit: Individuals, estates, trusts, corporations, banks, insurance companies, and telecommunications companies may claim a Virginia tax credit if the taxpayer creates at least 50 new full-time jobs in connection with the establishment or expansion of a major business facility, or if the company is engaged in a qualifying industry in Virginia and creates at least 50 new full-time jobs in Virginia. If a taxpayer is located in an enterprise zone or in an economically distressed area (as defined by the Virginia Economic Development Partnership), the threshold is reduced from 50 to 25. Credits will be recaptured proportionately if employment decreases during the five years following the initial credit year.

This nonrefundable credit is equal to $1,000 per qualifying new job in excess of the 50/25 job threshold and is spread over two years for taxpayers whose initial credit year begins on or after January 1, 2009. The credit only applies to facilities where an announcement to expand or establish such a facility was made on or after January 1, 1994. The credit must be claimed ratably over three taxable years, beginning with the taxable year following the year in which the facility is established or expanded, or the new qualifying jobs are added. Unused credits may be carried forward for the next ten taxable years.

To apply for this credit, complete Form 304. All applications must be submitted to the Department of Taxation, Tax Credit Unit, PO Box 715, Richmond, VA 23218-0715, 90 days prior to the due date of your return. A letter will be sent to certify the credit. This letter must be attached to the return.

All pass-through entities must complete Form PTE at least 60 days before the participants file their income tax return. If the participants' income tax return is due before the Form 502 is filed, they must file an amended return to claim the credit or file for an extension.

Effective for taxable years beginning on and after January 1, 2012, taxpayers may qualify for the Major Business Facility Job Tax Credit even if they have also received an enterprise zone grant. However, any qualified business firm receiving a Major Business Facility Job Tax Credit is not eligible to receive both an Enterprise Zone Job Creation Grant and a Major Business Facility Job Tax Credit for the same jobs.

To claim this credit, transfer the certified credit amount to Form 64, Line 21. Attach the letter of certification from the Department authorizing the credit.

Line 22 - Historic Rehabilitation Credit: A bank or trust company incurring eligible expenses in the rehabilitation of a certified historic structure is entitled to claim a credit against the tax imposed by Va. Code § 58.1-1202. The credit is equal to 25% of eligible rehabilitation expenses for projects. To qualify, the cost of the rehabilitation must equal at least 50% (25% if the building is an owner occupied residence) of the assessed value of the building for local real estate tax purposes in the year preceding the start of the rehabilitation. Unused credits may be carried forward for ten years. The rehabilitation work must be certified by the Virginia Department of Historic Resources as consistent with the Secretary of the Interior's Standards for Rehabilitation. Certification of buildings and rehabilitations are issued by the Department of Historic Resources and must be attached to the tax return when claiming the credit. Applications for certification may be obtained by contacting:

Virginia Department of Historic Resources
2801 Kensington Avenue
Richmond, VA 23221
804-367-2323
or at www.dhr.virginia.gov.

To claim this credit, enter the amount on Form 64, Line 22.

Line 23 - Barge and Rail Usage Tax Credit: For taxable years beginning on and after January 1, 2011, but before January 1, 2015, a business may receive an income tax credit for the usage of barge and rail to move cargo containers throughout the Commonwealth rather than using trucks or other motor vehicles on the Commonwealth's highways.

The amount of the credit is $25 per 20-foot equivalent unit (TEU) or 16 tons of noncontainerized cargo or one unit of roll-on/roll-off cargo moved by barge or rail. To receive this credit, an international trade facility is required to apply to the Department. No more than $500,000 in tax credits can be issued in any fiscal year. The Department will determine the allowable credit amount for the taxable year and provide a written certification of the credit amount to each taxpayer. Taxpayers can claim this credit against the Individual Income Tax, the Corporate Income Tax, the Tax on Estates and Trusts, the Bank Franchise Tax, the Insurance Premiums License Tax, and the Tax on Public Service Corporations. Any unused tax credits may be carried over for five taxable years.

The business must apply by April 1st using Form BRU. Submitting a late application will disqualify you from the credit. All applications must be sent to:

Virginia Department of Taxation
Tax Credit Unit
P.O. Box 715
Richmond, VA 23218-0715.

This credit requires certification from the Tax Credit Unit to be claimed on your tax return. A letter will be sent to you to certify the credit. This letter must be attached to your return.

For assistance, contact the Tax Credit Unit at 804-786-2992.

Line 24 - Worker Retraining Tax Credit: The Worker Retraining Tax Credit allows an employer to claim a tax credit for the costs of providing retraining to qualified employees. "Eligible worker retraining" includes noncredit courses that are approved by the **Virginia Economic Development Partnership** (**VEDP**) and that are provided by any of the Commonwealth's community colleges or private schools. "Eligible worker retraining" programs also include courses (credit and noncredit) undertaken through an apprenticeship agreement approved by the Virginia Apprenticeship Council.

The credit is 30% of all expenditures paid or incurred by the employer during the taxable year, subject to certain limitations. For taxable years beginning prior to January 1, 2013, if the eligible worker retraining consists of courses conducted at a private school, the credit cannot exceed $100 per qualified employee annually. For taxable years beginning on or after January 1, 2013, if the eligible working retraining consists of courses conducted at a private school, the credit cannot exceed $200 per qualified employee annually, or $300 per qualified employee annually if the eligible training includes retraining in a STEM or STEAM discipline. A STEM or STEAM discipline is defined as a science, technology, engineering, mathematics or applied mathematics related discipline as determined by the DBA. A STEM or STEAM discipline also includes a health care related discipline.

Employers must apply for certification of the amount of allowable credit using Form WRC by April 1 of the year following the year the training expenses were paid or incurred before claiming the credit on their income tax return. All businesses filing a timely Form WRC will be notified of their allowable credit by June 30, 2013. The maximum Worker Retraining Tax Credits granted to all employers is limited to $2,500,000 annually. If the total amount of approved credits exceeds this amount, each taxpayer's claim will be prorated. The credit is allowable against Individual Income Tax, Estate and Trust Tax, Corporation Income Tax and the Bank Franchise Tax. The credit is also allowable against taxes imposed upon insurance companies and utility companies (under Va. Code §§ 58.1-2500 et seq. and 58.1-2620 et seq.). This credit is nonrefundable, but excess credits may be carried forward for the next three taxable years.

For information on pre-approved apprenticeship programs, contact the **Virginia Department of Labor and Industry at 804-225-4362**. For information on noncredit course approval, contact:

Virginia Jobs Investment Program
Virginia Economic Development Partnership
901 East Byrd Street
Richmond, VA 23219
804-545-5706

To claim this credit, enter the certified credit amount on Form 64, Line 24, and attach a copy of the letter of certification from the Department.

Line 25 - Low-Income Housing Credit: The Board of Housing and Community Development stopped approving Low-Income Housing Credits beginning on June 30, 2010. However, any unused credits may be carried forward for the next five taxable years. Accordingly, taxpayers may be able to claim credit carryforwards from prior taxable years. For additional information, contact:

Virginia Department of Housing and
Community Development
Main Street Centre
600 East Main Street, Suite 300
Richmond, VA 23219
(804) 371-7117.

To claim this credit, enter the amount on Form 64, Line 25, and attach a copy of the certificate of qualification issued by the Virginia Department of Housing and Community Development and IRS Form 8609.

Line 26 - Education Improvement Scholarships Tax Credit: For taxable years beginning on or after January 1, 2014, but before January 1, 2028, a bank franchise tax credit may be claimed for monetary or marketable securities donations made to scholarship foundations included on an approved list published by the Virginia Department of Education. The credit is equal to 65 percent of the monetary or marketable securities donation made to the scholarship foundation.

Credits may be earned in taxable years beginning on or after January 1, 2013, but before January 1, 2028. Tax credits earned during Taxable Year 2013 must be claimed in the subsequent taxable year. Tax credits earned during Taxable Year 2014 and thereafter should be claimed in the year during which they were earned. Accordingly, Education Improvement Scholarships Tax Credits earned during both Taxable Years 2013 and 2014 should be claimed on the Taxable Year 2014 tax return.

Tax credits will be awarded to taxpayers on a first-come, first-served basis in accordance with procedures established by the Virginia Department of Education. The total amount of credits available in any fiscal year is capped at $25 million. Any unused tax credits may be carried over for the next five succeeding taxable years or until the total amount of credit has been taken, whichever is sooner. For additional information on how to qualify for certification, contact the Department of Education at 804-225-3375.

To claim this credit, enter the certified credit amount on Form 64, Line 26, and attach a copy of the letter of certification from the Department of Education.

INSTRUCTIONS FOR SCHEDULE C (FORM 64)

The assessed value of the real estate listed on this schedule should be reported from the most recent assessment made prior to January 1, 2016. Real estate acquired or improvements constructed after January 1, 2016, should not be listed.

The following items may qualify for deduction:

1. Real estate owned by the bank.
2. Real estate used or occupied by the bank and held in the name of a majority owned subsidiary of the bank.
3. Real estate used or occupied by the bank and held in the name of a bank holding company that owns a majority of the capital stock of the bank, or in the name of any wholly owned subsidiary of such bank holding company.
4. The assessed value attributable to leasehold improvements owned by the bank (or used or occupied by the bank if owned by a qualified affiliate) up to the amount of the unencumbered equity, even though it was assessed in the name of the owner of the underlying land.
5. Real estate used or occupied by a majority owned subsidiary of the bank, if it was otherwise taxed to the subsidiary, up to that portion of the assessed value which represents the bank's percentage of ownership of the subsidiary's common stock (attach computation).
6. Real estate reacquired by a subsidiary upon foreclosure of mortgage loans, up to that portion of the assessed value which represents the bank's percentage of ownership of the subsidiary's common stock (attach computation).

Real estate meeting any of the qualifications shown above must be owned, used or occupied by the bank as of January 1, 2016. Any property sold prior to or acquired after that date does not qualify for deduction. In addition, all real estate listed on this schedule must be subject to taxation under Va. Code § 58.1-3200 et seq.

FORM 64 Virginia Department of Taxation **2016**

Bank Franchise Tax

Each bank and trust company must file this return in duplicate on or before March 1, 2016, with the Commissioner of the Revenue for the county or city in which the principal office of the bank or trust company is located.	Name of Bank or Trust Company	Federal ID Number	
	Street Address or PO Box	Date Chartered	
	City, Town or Post Office	State	ZIP Code

Each bank and trust company must provide the information specified below:

Principal office is located in _____, Virginia (Check Only One) ☐ City ☐ County ☐ Town

IMPORTANT: Attach a copy of your Report of Condition and Income (Call Report) for December 31, 2015.

BANK CAPITAL ASSESSABLE AS OF JANUARY 1, 2016

CAPITAL ACCOUNTS

1. Equity Capital (total equity capital as shown on your official Report of Condition and Income adjusted by the amounts reported as unrealized gains or losses on available-for-sale securities). See the instructions.	1	

ADDITIONS

2. Unallowable Portions of Valuation Reserves: a. Valuation Reserve for Losses on Loans (From Schedule G, Line 4)	2a			
b. Other (Attach schedule)	2b			
3. Total Additions (Sum of Lines 2a and 2b)			3	
4. Total (Sum of Lines 1 and 3)			4	

DEDUCTIONS

5. Pro-rata Share of United States Obligations (From Schedule E, Line 5)	5			
6. Retained Earnings and Surplus of Subsidiaries Included in Gross Capital (From Schedule F)	6			
7. Deduction for Goodwill (Attach schedule)	7			
8. Other (Attach schedule)	8			
9. Total Deductions Before Apportionment (Sum of Lines 5 through 8)			9	

COMPUTATION OF CAPITAL AND APPORTIONMENT

10. Capital Before Virginia Modifications (Line 4 less Line 9)	10	
11. Apportionment Percentage (Virginia core deposits divided by total core deposits. Attach computation.) Enter as a percentage. **NOTE**: Apportionment percentage applies only to multistate banks, all other banks enter 100%. Banks with no deposits in Virginia-see the Interstate Branch Banks section on Page 1 of the instructions.	11	%
12. Capital Attributable to Virginia (Multiply Line 10 by the percentage on Line 11)	12	
13. Virginia Real Estate Taxed by Virginia Locality (From Schedule C, Total)	13	
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COMPUTATION OF NET CAPITAL AND TAX

15. Net Taxable Capital (Line 12 less the total of Line 13 and Line 14)	15	
16. Total Franchise Tax (See Tax Rate Schedule)	16	
17. Credit for Bank Franchise Tax Due to Localities (From Schedule H, Line 2)	17	
18. Tentative State Bank Franchise Tax Due (Line 16 less Line 17)	18	
19. Less: Neighborhood Assistance Act Tax Credit (Do not exceed the amount on Line 18)	19	
20. Less: Enterprise Zone Credit (From Form 301. Do not exceed the amount of Line 18 less Line 19)	20	
21. Less: Major Business Facility Job Credit (From letter. Do not exceed the amount of Line 18 less the total of Line 19 and Line 20)	21	
22. Less: Historic Rehabilitation Credit (Do not exceed the amount of Line 18 less the total of Lines 19-21)	22	
23. Less: Barge and Rail Usage Tax Credit (Do not exceed the amount of Line 18)	23	
24. Less: Worker Retraining Credit (Do not exceed the amount of Line 18 less the total of Lines 19-23)	24	
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26. Less: Education Improvement Scholarships Tax Credit (Do not exceed the amount of Line 18 less the total of Lines 19-25)	26	
27. **State Bank Franchise Tax Due** (Line 18 less the total of Lines 19 through 26)	27	

Declaration and Signature

I, the undersigned officer of the bank or trust company for which this return is made, declare under the penalties provided by law that this return has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated.

_____

(Signature) (Title of Officer)

_____

(Phone Number) (Date)

Commissioner of the Revenue's Certificate of Assessment

I, the undersigned Commissioner of the Revenue for the (County/City) of _____, Virginia, do hereby certify that I have this day assessed the bank or trust company aforesaid with state Bank Franchise Taxes for the tax year 2015, as shown hereon.

Given under my hand this _____ day of _____, 2016.

_____

(Commissioner of the Revenue)

Schedule C
(Form 64)

Virginia Department of Taxation

2016

Bank Franchise Tax
Assessed Value of Real Estate in Virginia

- For each parcel of real estate subject to taxation in Virginia, report the most recent assessed value made prior to January 1, 2016.
- A property may not be listed more than once.
- Instructions for this Schedule are on Page 5 of the instructions.

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

Location (Include Physical Street Address, County or City / Town)	**Name in Which Assessed**	**Assessed Value**	**Value Deductible**
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
Address County, City, or Town (Check One: ☐ County ☐ City ☐ Town)		$	$
		TOTAL (Enter on **Form 64**, Line 13.)	$

Bank Representative Contact	Phone Number	Email Address

I, the undersigned Commissioner of the Revenue, do hereby certify that I have verified the Real Estate Assessments listed in this schedule, that the property was assessed to the bank or its affiliate, and that the valuations shown represent the most recent assessment made prior to January 1, 2016. I further certify that the information as reported, or as corrected hereon by me, is true and correct to the best of my knowledge and belief.

(Commissioner of the Revenue) *(Date)*

A copy of this schedule must be filed with the assessing officer of each locality imposing tax on the filing bank.

Schedule D Virginia Department of Taxation **2016**

(Form 64)

Bank Franchise Tax

Book Value of Tangible Personal Property Otherwise Taxed in Virginia

- List the book value of any tangible personal property that is owned by the bank or a majority owned subsidiary of the bank on January 1, 2016, which is(1) held for lease *and* (2) otherwise taxed in Virginia.
- If the bank owns less than 100% of the common stock of a subsidiary which holds such tangible personal property, its deduction is limited to the portion of the book value of the subsidiary's tangible personal property represented by a bank's percentage of ownership of the subsidiary's common stock. (Attach computations if applicable.)
- **Property used by the bank for administrative purposes is *not* eligible for deduction.**

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

Location (County/City/Town)	**Name in Which Title Is Held**	**Date Acquired** (Mo. & Yr.)	**Description of Property** (Kind, make, model and year)	**Initial Cost/Price** (Exclusive of any trade-in allowance)	**Book Value**

TOTAL (Enter here and on **Form 64**, Line 14.)

Schedule E
(Form 64)

Virginia Department of Taxation

2016

Bank Franchise Tax
Computation of Capital Attributed to United States Obligations

- Attach a schedule listing the breakdown, by quarter, of all items included in the computation of U.S. Obligations.
- See the list of U.S. Obligations beginning on Page 2 of the Instructions.

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

1. Percentages of U.S. Obligations to Total Assets (Determined as of the four most recent Reports of Condition and Income.)

	(a) Date of Report of Condition and Income	(b) U.S. Obligations	(c) Total Assets	(d) Percentage of U.S. Obligations to Total Assets [(b) ÷ (c)]
(A)	3/31/15	$	$	%
(B)	6/30/15	$	$	%
(C)	9/30/15	$	$	%
(D)	12/31/15	$	$	%

2. Total [Total percentages from Line 1 (A) through (D), Column (d).]	2.	%
3. Average Percentage (Total from Line 2, divided by the number four or by the number of quarters in existence if less than four.)	3.	%
4. Equity Capital (From **Form 64**, Line 1)	4.	$
5. Capital Attributed to U.S. Obligations (Multiply the amount of total equity capital on Line 4 by the average percentage on Line 3. Enter the total here and on **Form 64**, Line 5.)	5.	$

Signature of Officer	Title
Name Printed	Date

Schedule F
(Form 64)

Virginia Department of Taxation

2016

Bank Franchise Tax
Retained Earnings and Surplus of Subsidiaries

- List the amount of retained earnings and surplus of subsidiaries to the extent that they are included in the gross capital of the bank.
- The deduction is limited to retained earnings or surplus actually included in the gross capital of the taxpayer at the date of acquisition as in a pooling of interest combination.

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

Name of Subsidiary	Retained Earnings or Surplus
TOTAL (Enter total here and on **Form 64**, Line 6.)	$

Schedule G
(Form 64)

Virginia Department of Taxation

Bank Franchise Tax
Reserve for Loan Losses

2016

- The applicable deferred tax amount (entered on Line 3) is the deferred tax asset that would result if the reserve for loan losses allowed for federal income tax purposes (the "tax reserve") was equal to half the book reserve. Stated mathematically, the applicable deferred tax amount is equal to the Book Reserve divided by two and then multiplied by the bank's effective federal and state income tax rates that were used to calculate any deferred tax amounts included in the Call Report, but not less than zero.

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

Bank Holding Company With Which Reporting Bank is Affiliated (If any)	
1. Enter the Amount of the Reserve for Loan Losses as Shown on the FFIEC Report of Condition (the "Call Report") as of December 31, 2015.	$
2. Divide Line 1 by the number 2 (Enter the result.)	$
3. Applicable Deferred Tax (Multiply the amount on Line 2 by the bank's annual effective federal and state income tax rate. See the instructions above for additional information.)	$
4. Line 1 Less the Total of Lines 2 and 3 (Enter this amount on **Form 64**, Line 2a.)	$

Schedule H
(Form 64)

Virginia Department of Taxation

Bank Franchise Tax
City, Town or County Taxes

2016

- Authorized by *Va. Code* §§ 58.1-1208 - 58.1-1210.
- Compute the local franchise tax as indicated on Lines 1 and 2.
- Enter the amount from Line 2, below, on **Form 64**, Line 17. If reporting for branches outside the Commonwealth of Virginia, enter only the local tax to be paid for branches in Virginia on **Form 64**, Line 17.
- Tax attributable to branches outside the state should be included on **Form 64**, Lines 18 and 26.
- List in this schedule the location of the principal office and every other city, town, or county in which a branch is located.
- Enter the appropriate figures in Columns B, C and D for each location listed.
- A copy of this schedule must be filed with the assessing officer of each locality imposing tax upon the filing bank.

Name of Bank or Trust Company		Federal ID Number
Street Address or PO Box		
City, Town or Post Office	State	ZIP Code

1. Total Franchise Tax (From **Form 64**, Line 16)	
2. Local Franchise Tax (80% of Line 1 or Line 1 X 0.8. Enter here and on **Form 64**, Line 17.)	

A List each Virginia city, town or county in which the principal office and/or one or more branch is located and check the appropriate box.	**B** List total deposits in the principal office and/or branches for each Virginia city, town or county as of January 1, 2016.	**C** Percentage of deposits through the principal office and/or branches in each Virginia city, town or county to total deposits of the bank as of January 1, 2016.	**D** Taxes assignable and due in each Virginia city, town or county pursuant to local ordinance, if one has been adopted (percentage from Column C times the amount reported on Line 2 above.)
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
☐ County ☐ City ☐ Town			
TOTALS	$	**100%**	$

Commissioners of the Revenue Mailing Addresses

* Denotes Director of Finance

** Denotes Director of Tax Administration

County	Address	ZIP Code
Accomack County	P.O. Box 186, Accomac, VA	23301-0186
Albemarle County*	401 McIntire Rd, Charlottesville, VA	22902-4596
Alleghany County	9212 Winterberry Ave. Suite E, Covington, VA	24426
Amelia County	P.O. Box 269, Amelia, VA	23002
Amherst County	P.O. 719, Amherst, VA	24521
Appomattox County	P.O. Box 125, Appomattox, VA	24522
Arlington County	2100 Clarendon Blvd, Rm 200, Arlington, VA	22201
Augusta County	P.O. 959, Verona, VA	24482
Bath County	P.O. Box 130, Warm Springs, VA	24484
Bedford County	122 E. Main St, Rm 103, Bedford, VA	24523-2035
Bland County	P.O. Box 130, Bland, VA	24315
Botetourt County	P.O. Box 128, Fincastle, VA	24090-0128
Brunswick County	P.O. Box 669, Lawrenceville, VA	23868
Buchanan County	P.O. Box 1042, Grundy, VA	24614
Buckingham County	P.O. Box 138, Buckingham, VA	23921
Campbell County	P.O. Box 66, Rustburg, VA	24588
Caroline County	P.O. Box 819, Bowling Green, VA	22427
Carroll County	605-7 Pine St, Hillsville, VA	24343
Charles City	P.O. Box 7, Charles City, VA	23030-0007
Charlotte County	P.O. Box 308, Charlotte Courthouse, VA	23923
Chesterfield County	P.O. Box 124, Chesterfield, VA	23832-0124
Clarke County	P.O. Box 67, Berryville, VA	22611
Craig County	P.O. Box 186, New Castle, VA	24127-0186
Culpeper County	P.O. Box 1807, Culpeper, VA	22701
Cumberland County	P.O. Box 77, Cumberland, VA	23040
Dickenson County	P.O. Box 1067, Clintwood, VA	24228
Dinwiddie County	P.O. Box 104, Dinwiddie, VA	23841-0104
Essex County	P.O. Box 879, Tappahannock, VA	22560-0879
Fairfax County**	12000 Government Center Pkwy, Rm 261, Fairfax, VA	22035-0075
Fauquier County	P.O. Box 149, Warrenton, VA	20188-0149
Floyd County	100 E. Main St, Box 5, Floyd, VA	24091
Fluvanna County	P.O. Box 124, Palmyra, VA	22963-0124
Franklin County	1255 Franklin St, Suite 102, Rocky Mount, VA	24151
Frederick County	P.O. Box 552, Winchester, VA	22604
Giles County	130 N Main St, Pearisburg, VA	24134-1625
Gloucester County	6489 Main St, Rm 137, Gloucester, VA	23061-0137
Goochland County	P.O. Box 60, Goochland, VA	23063
Grayson County	P.O. Box 126, Independence, VA	24348
Greene County	P.O. Box 438, Standardsville, VA	22973
Greensville County	1781 Greensville County Circle, Rm 132, Emporia, VA	23847
Halifax County	P.O. Box 1847, Halifax, VA	24558
Hanover County	P.O. Box 129, Hanover, VA	23069
Henrico County*	P.O. Box 90775, Henrico, VA	23273-0775
Henry County	P.O. Box 1077, Collinsville, VA	24078-1077
Highland County	P.O. Box 148, Monterey, VA	24465
Isle of Wight County	P.O. Box 107, Isle of Wight, VA	23397-0107
James City County	P.O. Box 283, Williamsburg, VA	23187-0283
King George County	10459 Courthouse Dr, Ste 101, King George, VA	22485-3865
King & Queen County	P.O. Box 178, King & Queen CH, VA	23085
King William County	P.O. Box 217, King William, VA	23086
Lancaster County	8311 Mary Ball Rd., Rm 203, Lancaster, VA	22503
Lee County	P.O. Box 96, Jonesville, VA	24263
Loudoun County	P.O. Box 8000, Leesburg, VA	20177-9804
Louisa County	P.O. Box 8, Louisa, VA	23093
Lunenburg County	11512 Courthouse Rd, Ste 101, Lunenburg, VA	23952
Madison County	P.O. Box 56, Madison, VA	22727
Mathews	P.O. Box 896, Mathews, VA	23109-0896
Mecklenburg County	P.O. Box 360, Boydton, VA	23917
Middlesex County	P.O. Box 148, Saluda, VA	23149-0148
Montgomery County	755 Roanoke St. Ste 1-A, Christiansburg ,VA	24073
Nelson County	P.O. Box 246, Lovingston, VA	22949
New Kent County	P.O. Box 99, New Kent, VA	23124
Northampton County	P.O. Box 65, Eastville, VA	23347
Northumberland County	P.O. Box 309, Heathsville, VA	22473
Nottoway County	P.O. Box 5, Nottoway, VA	23955
Orange County	P.O. Box 389, Orange, VA	22960-0227
Page County	103 S Court St. Suite C Luray VA	22835
Patrick County	P.O. Box 367, Stuart, VA	24171
Pittsylvania	P.O. Box 272, Chatham, VA	24531-0272
Powhatan County	3834 Old Buckingham Rd, Ste C, Powhatan, VA	23139
Prince Edward County	P.O. Box 446, Farmville, VA	23901
Prince George County	P.O. Box 155, Prince George, VA	23875-0155
Prince William County	P.O. Box 2467, Prince William,VA	22195-2467
Pulaski County	52 W. Main St, Suite 200, Pulaski, VA	24301-5044
Rappahannock County	P.O. Box 115, Washington, VA	22747
Richmond County	P.O. Box 366, Warsaw, VA	22572
Roanoke County	P.O. Box 20409, Roanoke, VA	24018-0513
Rockbridge County	P.O. Box 1160, Lexington, VA	24450-1160
Rockingham County	20 E. Gay St, Harrisonburg, VA	22802
Russell County	P.O. Box 517, Lebanon, VA	24266
Scott County	190 Beech Street, Suite 104, Gate City VA	24251
Shenandoah County	600 N. Main St, Ste 104, Woodstock, VA	22664
Smyth County	P.O. Box 985, Marion, VA	24354
Southampton County	P.O. Box 760, Courtland, VA	23837-0760
Spotsylvania County	P.O. Box 175, Spotsylvania, VA	22553-0175
Stafford County	P.O. Box 98, Stafford, VA	22555-0098
Surry County	P.O. Box 35, Surry, VA	23883
Sussex County	P.O. Box 1398, Sussex, VA	23884-0398
Tazewell County	101 E. Main St, Ste 201, Tazewell, VA	24651-1071
Warren County	P.O. Box 1775, Front Royal, VA	22630-0038
Washington County	One Government Center Place, Ste. C, Abingdon, VA	24210-8484
Westmoreland County	P.O. Box 68, Montross, VA	22520
Wise County	P.O. Box 1278, Wise, VA	24293
Wythe County	225 S. 4th St, Rm 101, Wytheville, VA	24382
York County	P.O. Box 90, Yorktown, VA	23690-0090
City of Alexandria*	P.O. Box 323, Alexandria ,VA	22313
City of Bristol	497 Cumberland St., Ste 1-A, Bristol, VA	24201-4391
City of Buena Vista	2039 Sycamore Ave, Buena Vista, VA	24416-3133
City of Charlottesville	P.O. Box 2964, Charlottesville, VA	22902-2964
City of Chesapeake	P.O. Box 15285, Chesapeake, VA	23328-5285
City of Colonial Heights	P. O. Box 3401, Colonial Heights, VA	23834
City of Covington	P.O. Drawer 58, Covington, VA	24426
City of Danville	P.O. Box 480, Danville, VA	24543
City of Emporia	P.O. Box 956, Emporia, VA	23847
City of Fairfax	Rm 224, City Hall, 10455 Armstrong St., Fairfax, VA	22030
City of Falls Church	300 Park Ave, #104-E, Falls Church, VA	22046-3301
City of Franklin	P.O. Box 389, Franklin, VA	23851-0389
City of Fredericksburg	P.O. Box 644, Fredericksburg, VA	22404-0644
City of Galax	P.O. Box 1128, Galax, VA	24333
City of Hampton	P.O. Box 636, Hampton, VA	23669-0636
City of Harrisonburg	P.O. Box 20031, Harrisonburg, VA	22801-7531
City of Hopewell	P.O. Box 1604, Hopewell, VA	23860
City of Lexington	P.O. Box 922, Lexington, VA	24450
City of Lynchburg	P.O. Box 858, Lynchburg, VA	24505-0858
City of Manassas	P.O. Box 125, Manassas, VA	20108-0125
City of Manassas Park	One Park Center Ct, Manassas Park, VA	20111
City of Martinsville	P.O. Box 1222, Martinsville, VA	24114-1222
City of Newport News	2400 Washington Ave, Newport News, VA	23607
City of Norfolk	P.O. 2260, Norfolk, VA	23501-2260
City of Norton	P.O. Box 347, Norton, VA	24273
City of Petersburg	135 N. Union St, Petersburg, VA	23803
City of Poquoson	500 City Hall Ave, Poquoson, VA	23662
City of Portsmouth	801 Crawford St, Portsmouth, VA	23704-3870
City of Radford	619 Second St, Rm 161, Radford, VA	24141
City of Richmond	900 E. Broad St, Rm 103,Richmond, VA	23219
City of Roanoke	215 Church Ave SW, Rm 251, Roanoke, VA	24011
City of Salem	P.O. Box 869, Salem, VA	24153
City of Staunton	P. O. Box 4, Staunton, VA	24402-0004
City of Suffolk	P.O. Box 1459, Suffolk, VA	23439-1459
City of Virginia Beach	2401 Courthouse Dr, Bldg 1, Rm. 128, Virginia Beach, VA	23456-9002
City of Waynesboro	503 W Main St, Rm 107, Waynesboro, VA	22980
City of Williamsburg	401 Lafayette Street, Williamsburg, VA	23185
City of Winchester	P.O. Box 546, Winchester, VA	22604