

**UNDERPAYMENT OF VIRGINIA ESTIMATED TAX BY  
FARMERS, FISHERMEN AND MERCHANT SEAMEN  
Attach this form to Form 760, 763, 760PY or 770**



Calendar year 2004 or taxable year beginning \_\_\_\_\_, 2004 and ending \_\_\_\_\_.

<b>NAME, ADDRESS, AND SOCIAL SECURITY NUMBER (OR FEIN)</b>	
First Name, Middle Initial and Last Name (of Both if Joint) - OR - Name of Estate or Trust	Your Social Security Number or FEIN
If Estate or Trust, Name and Title of Fiduciary	Spouse's Number, if Joint Declaration
Present Home Address (Number and Street or Rural Route)	(For Office Use)
City, Town or Post Office and State	ZIP Code

**PART I HOW TO COMPUTE YOUR UNDERPAYMENT**

If you meet either of the two exceptions in Part II, which void the addition to tax, skip to line 7.

- |   |   |  |
|---|---|--|
| 1. Enter the amount of your 2004 Virginia income tax liability after the Spouse Tax Adjustment and nonrefundable credits. (If \$150 or less, you are not required to file Form 760F.) | 1 |  |
| 2. Enter 66 <sup>2</sup> / <sub>3</sub> % (.666) of the amount on line 1. ....  | 2 |  |
| 3. Enter 2003 income tax liability after Spouse Tax Adjustment and nonrefundable credits. ....  | 3 |  |
| 4. Enter the amount from line 2 or line 3, whichever is less. ....  | 4 |  |
| 5. Enter the amount of tax withheld and/or the amount of estimated tax paid or credited by January 15, 2005. ....   | 5 |  |
| 6. Underpayment of estimated tax (subtract the amount on line 5 from the amount on line 4). ....  | 6 |  |

**PART II EXCEPTIONS WHICH VOID THE ADDITION TO TAX**

- |   |   |  |
|---|---|--|
| 7. EXCEPTION 1: 2003 Virginia income tax (Form 760 filers: use net tax amount from Line 17).  | 7 |  |
| 8. EXCEPTION 2: Tax based on 2003 income using 2004 rates and exemptions. (See the instructions on back. Form 760 filers use the net tax shown on line 17 of Form 760.) | 8 |  |

**PART III HOW TO COMPUTE THE ADDITION TO TAX**

If you meet either of the two exceptions in Part II, which void the addition to tax, do not complete Part III.

- |  |    |   |
|--|----|---|
| 9. Amount of underpayment from line 6. ....  | 9  |   |
| 10. Number of days after January 15, 2005, through the date the amount on line 9 was paid or May 1, 2005, whichever is earlier. If May 1 is earlier, enter 106. .... | 10 |   |
| 11. Multiply line 10 by the daily interest rate of .00019 (7% per annum). ....   | 11 | % |
| 12. Addition to Tax Balance Due: Multiply the amount on line 9 by line 11 (see instructions on back) ....  | 12 |   |

## 2004 FORM 760F INSTRUCTIONS

**DEFINITION OF FARMER, FISHERMAN OR MERCHANT SEAMAN:** For the purpose of estimating Virginia income tax, "a farmer, fisherman or merchant seaman" is an individual having an estimated Virginia gross income from self-employed farming, fishing or being a merchant seaman for the taxable year which is at least 66<sup>2</sup>/<sub>3</sub>% of the individual's total estimated Virginia gross income for the taxable year.

**PURPOSE OF THIS FORM:** If you are an individual taxpayer who is a qualified farmer, fisherman or merchant seaman, you may use this form to determine whether your income tax was sufficiently paid throughout the year by withholding and/or by timely filed installment payments of estimated income taxes. If it was not, you may owe an addition to tax computed at the applicable daily interest rate. Form 760C is the equivalent form for individual taxpayers who are not farmers, fishermen or merchant seamen.

If your Virginia Adjusted Gross Income (VAGI) is below the FILING THRESHOLD, you are not required to complete this form because you are not required to file an income tax return. You must file a Virginia individual income tax return if your VAGI is equal to or greater than the filing threshold for your filing status. The filing threshold amount for a single individual is also applicable to dependent children. The filing threshold amounts are as follows:

Filing Status is:	And Your VAGI is Equal to or Greater than :
Single	\$5,000
Married, filing joint return	\$8,000
Married, filing separate return	\$4,000

If your Virginia income tax liability is \$150 or less after subtracting your Spouse Tax Adjustment and other tax credits (except withholding, estimated and extension payments), you do not have to complete this form; you do not owe an addition to tax.

If you meet both of the following tests, do not file this form because you do not owe an addition to tax.

Test 1. Your gross income from self-employed farming, fishing and/or being a merchant seaman is at least two-thirds of your annual gross income for the taxable year, and

Test 2. You filed Form 760, Form 760PY, Form 763 or Form 770 and paid the entire tax due by March 1, 2005.

If you do not meet Test 1, use Form 760C.

For assistance, contact the Commissioner of the Revenue, Director of Finance or Director of Tax Administration for the locality in which you reside or the **Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115, or 804-367-8031**. You can obtain most Virginia income tax forms at [www.tax.virginia.gov](http://www.tax.virginia.gov).

### PART I

#### HOW TO COMPUTE YOUR UNDERPAYMENT

Line 1. To compute your 2004 Virginia income tax liability: (NOTE: The nonrefundable credits included on Form 760, in the amount recorded on line 23, or Form 763, line 19(f) can be found on Schedule CR, line 107.)

A. Form 760 - Subtract from Form 760, line 17 the total of lines 21, 22 and the nonrefundable credits included on line 23, and enter the result; or

B. Form 763 - Subtract from Form 763, line 18 the total of lines 19(e), (f) and the nonrefundable credits included on line 19(g) and enter the result; or

C. Form 770 - Subtract from Form 770, line 4 the total of lines 5(d) through 5(o) and 5(q) and enter the result.

NOTE: You are not required to file Form 760F if the amount on line 1 is \$150 or less.

Line 2. Enter 66<sup>2</sup>/<sub>3</sub>% (.666) of the amount on line 1.

Line 3. Enter the amount of your 2003 income tax liability after Spouse Tax Adjustment and nonrefundable credits.

Line 4. Enter the amount from line 2 or line 3, whichever is less.

Line 5. Enter the total amount withheld and any estimated tax paid or credited by January 15, 2005.

NOTE: Fiscal year taxpayers - If you filed your return on a fiscal year basis, change the dates to correspond to your fiscal year.

Line 6. Underpayment of estimated tax - Subtract the amount on line 5 from the amount on line 4.

### PART II

#### EXCEPTIONS WHICH VOID THE ADDITION TO TAX

If you underpaid your tax, complete this section to determine if you meet one of the exceptions on line 7 or line 8. If you meet either exception, complete the appropriate line on this form. If you do not meet either exception, complete PART III to compute the addition to tax.

Line 7. EXCEPTION 1: You qualify if (1) your withholding and any timely estimated tax payments for the taxable year 2004 equal or exceed the tax (minus any Spouse Tax Adjustment, lines 21, 22 & the nonrefundable credits included on line 23 if you filed Form 760) on your tax year 2003 return AND (2) if a Virginia return showing a tax liability was filed for 2003 AND (3) the return was for a period of twelve months. Income tax withheld during the year may be considered paid on the required installment date.

Line 8. EXCEPTION 2: You qualify if your withholding and any timely estimated income tax payments (line 5 above) for the taxable year 2004 equal or exceed the amount that would be due by computing your 2003 tax using the 2004 rates and personal exemptions. (Form 760 filers use the net tax amount computed on Line 17 of Form 760.)

### PART III

#### HOW TO COMPUTE THE ADDITION TO TAX

Line 9. If line 6 is an underpayment, enter that amount here.

Line 10. Compute the number of days that the underpayment on line 9 was late.

NOTE: Fiscal year taxpayers - If you filed your return on a fiscal year basis, compute the number of days based on the due date of your income tax return.

Line 11. Multiply line 10 by the daily rate of .00019 (7% per annum).

NOTE: Fiscal year taxpayers - If you filed your return on a fiscal year basis, change the interest rate to correspond to the daily interest rate applicable to the due date of your income tax return.

Line 12. Addition to tax - Multiply the amount on line 9 by line 11.

Enter the amount from line 12 on the addition to tax line on your income tax return. If filing Form 760, 760PY or 763, also check the farmers, fishermen and merchant seamen box on the return. If filing Form 770, check the Form 760F box on the front of the return and enter the amount of addition to tax in the box below line 10 on Form 770. You may write one check for payment of the addition to tax and any amount you may owe on your income tax return.