Quick Reference: Form 760PY - Tax Year 2020

Types:

- **Category 3:** Tax Due return received with or without payment
- **Category 4:** Refund returns

Process as Direct-File:

- E-file indicator of **XXXXX** on Form 760PY is shown in the bottom right portion of the document below Line 12.
- Return's address doesn't belong in your locality.

Key Items to Review:

- Special Filing Situation: Form 760PY and Form 763 filed in the same tax year by a taxpayer.
  - Allocate withholding as applicable.
  - Make notations on both the Form 760PY and Form 763.
- Local Tax Due Returns
  - LTD bubble must be filled/"X" entered on LTD line.
  - Payment amount (or ZERO/"0") must be entered on the $____ line.
- Locality Code – the proper 3-digit FIPS Code must be entered.
- Itemized Deductions claimed on Line 11 - check for a Virginia Schedule A
  - If Virginia Schedule A is missing, code "**SA**"
- Federal Return – code "**FX**" if not attached.
- Federal Form 1310- code "**DX**" if attached.
- Dates of residence in Virginia.
- Farmer, Fisherman, and Merchant Seaman checkbox is checked:
  - Return filed on or before April 15, 2021 - code "**IX**"
  - Return filed after April 15, 2021- code "**UX**"
- Ensure the "Prorated Exemption Amount" on Line 13 is correct.
- Review for Credit for Tax Paid to Another State on line 24.
  - If claimed and the total credit is equal to or greater than $500, code "**MX"**
- Review Schedule OSC credit amount(s) and Form 760PY net tax amount.
  - If tax amount is smaller than credit, adjust the OSC income percentage as needed.
- Form 760C or 760F – if included code "**CX"**

Group Returns in Stacks:

- ***Timely*** Farmer, Fisherman, Merchant Seaman returns.
- ***Late*** Farmer, Fisherman, Merchant Seaman returns.
- ***All other*** *screened returns to be handled as* ***LOCAL*** *filed returns.*
- *Returns to be handled as* ***DIRECT*** *filed returns.*

Transmittal to TAX:

- Complete a LAP-Sort 1 or LAP-Sort 2 form for each stack of returns.
- Rubberband the returns in each stack together.

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