Open and Sort Mail

Process

OPEN AND SORT MAIL IN THE LOCALITY

Effective Date

01/01/2018

Purpose

This task is performed to organize Individual Income Tax returns into bundles that are sorted by Category and Form Type. Sorting and bundling work by "like" characteristics with the appropriate identifying documentation ensures efficient local processing and screening and ensures that bundles of "like" characteristics are transmitted to TAX for handling.

Sending correctly sorted and identified bundles to TAX is necessary to ensure proper processing. Locality errors in sorting and identifying work may result in improper processing and inconvenience for the customer. This task is performed by Commissioner of Revenue's Office Locality Representatives as mail is received.

Special Notes

Beginning in Tax Year **2017**, an indicator will appear on printed copies of current year returns that were prepared for E-File submission. If Form 760CG, 760PY, and/or 763 return documents bearing this indicator are identified by staff in the Commissioner of the Revenue's Office during Mail Opening and Sorting, these documents should **not** be processed locally. Current year form 760CG, 760PY, and 763 returns bearing this indicator should be sorted as Category 7 items which are sent to TAX for DIRECT processing. Failure to identify these documents during Mail Opening may result in the returns being processed locally and erroneous assessments created as a result.

Placement of the indicator **XXXXX** on Form 760CG will appear in the top right portion of the document to the right of the Vendor ID.

760CG – upper right side, next to the Vendor ID field

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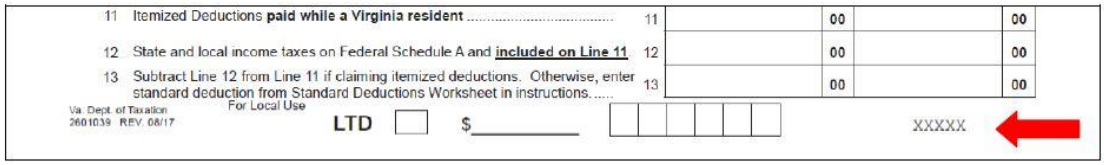
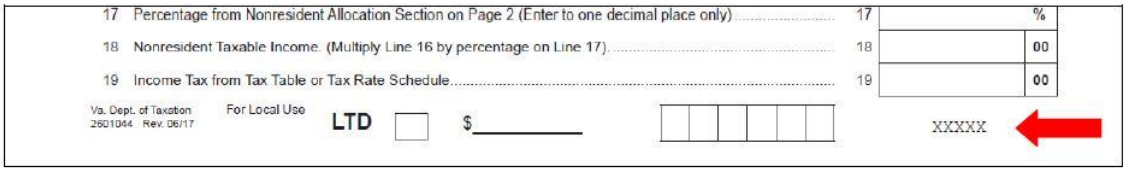
Placement of the indicator **XXXXX** on Form 760PY will appear in the bottom right hand margin of the return.

760PY – bottom right corner, below Line 13, Column A


11 Itemized Deductions **paid while a Virginia resident** 11 00 00
12 State and local income taxes on Federal Schedule A and **included on Line 11** 12 00 00
13 Subtract Line 12 from Line 11 if claiming itemized deductions. Otherwise, enter standard deduction from Standard Deductions Worksheet in instructions. 13 00 00
Va. Dept. of Taxation 2601039 REV. 08/17 For Local Use LTD $_____ XXXXX

Placement of the indicator **XXXXX** on Form 763 will appear in the bottom right hand margin of the return.

763 – bottom right corner, below Line 19


17 Percentage from Nonresident Allocation Section on Page 2 (Enter to one decimal place only) ..... 17 %
18 Nonresident Taxable Income. (Multiply Line 16 by percentage on Line 17). 18 00
19 Income Tax from Tax Table or Tax Rate Schedule 19 00
Va. Dept. of Taxation 2601044 Rev. 06/17 For Local Use LTD $_____ XXXXX

The Following is a list of preliminary sort categories and the various form types in each category.

- **Category 1:** Current year Form 760 **refund** returns
  - 760 Handprint
  - 760CG with 2D barcode
  - 760CG without 2D barcode
- **Category 3:** Current year **tax due** returns, with or without remittance
  - 760 Handprint
  - 760CG with 2D barcode
  - 760CG without 2D barcode
  - 760PY
  - 763
  - 770
- **Category 4:** Other current year **refund** returns
  Form Types:
  - 760PY
  - 763
  - 763-S
  - 770
- **Category 7:** Returns to be sent to TAX as **Direct Filed**
  - Prior year returns, all form types
  - Copies of Current Year E-Filed Tax Due returns bearing the E-File indicator (with and without remittance)
  - Copies of Current Year E-Filed Refund returns bearing the E-File indicator
  - Form 760C, 760F, 760E or CU-7 unaccompanied by an Individual Income Tax return
  - Form 765
  - Fiscal Year Filer
  - Amended Return

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- A tax due return with Form CU-7 and one check paying both liabilities
- A refund return with Form CU-7 and no remittance included
- Tax Due return with a credit card payment indicated
- Tax Due return claiming Consumer Use Tax
- Tax Due return with any Contributions for Code 11, 71, Code 72, Code 73, Code 92, and any Public School Foundation Code
- Remittance that cannot be processed locally
- Form 760IP with remittance
- Form 770IP with remittance
- Tax Due E-Filed remittance (760-PMT)
- Tax Due E-Filed remittance with Farmer/Fisherman/Merchant Seaman claimed (760-PFF)

Procedure

Responsibility
Commissioner of Revenue's Office Locality Representative

Steps

1. Gather incoming tax return mail to be opened and sorted.
2. Open the first envelope and remove the contents.
3. Determine the Category and Form Type of the tax return, according to the Special Notes section of this task.
4. If the return does not fit in **Category 7**, go to Step 7.
5. If a payment is received without any identifying documentation,
   A. Conduct the appropriate research in IRMS and/or confer with the Treasurer's Office to determine how the payment should be handled.
      1. If the payment is intended for a previously filed current year tax return with a local assessment, is a current year estimated payment, etc., the Treasurer should retain the payment for processing and deposit.
      2. If the payment appears to be associated with the taxpayer's current year income tax return was filed **electronically**,
         a. Obtain and complete a Form 760-PMT.
         b. Paperclip the completed 760-PMT to the back of the payment.
         c. Sort the item into **Category 7**: Returns to be sent to TAX as Direct Filed.
         d. Go to STEP 6.
      3. If unable to determine how to handle the payment after review,
         a. Place a note on the check letting TAX know that the local office cannot determine how to handle the item.
         b. Sort the item into **Category 7**: Returns to be sent to TAX as Direct Filed.
         c. Go to STEP 6.
6. If the documents belong in **Category 7**,
   A. Replace all contents in the envelope.
   B. Place the envelope in the designated location for Category 7 work.
   C. Place the reviewed documents aside.
   D. Go to STEP 9.
7. Determine the postmark date associated with the return.
   A. If there is no envelope because the customer hand-delivered the return,

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    1. Write the current date in MMDDYY order in the designated space at the bottom, center of Page 1 of the tax return.
    2. Go to Step 8.
  B. If there is an envelope,
    1. Write the postmark date in MMDDYY order in the designated space at the bottom, center of Page 1 on the tax return.
    2. Write the same MMDDYY date under the postmark on the envelope.
    3. Place the envelope behind the other return documents.
8. Ensure that any associated withholding forms are stapled to Page 1 of the return.
   NOTE: These are forms such as: Form W-2, Form W-2C, Forms 1099, Form 4852 and Form VK-1.
9. Place the return into the appropriate stack for the Category and Form Type.
10. Repeat Steps 2 - 9 for each return until all the incoming mail is sorted.
11. Secure each bundle of work with rubber bands, maintaining the Category and Form Type integrity of the bundles.
12. Route **Category 1** bundles to the designated personnel for immediate screening and transmittal to TAX.
13. Route **Category 3** returns to the designated person for completion of the Memorandum of Assessment.
    NOTE: The bundles will be forwarded to the designated personnel for screening after the Memorandum of Assessment is completed.
14. Route **Category 4** bundles of returns to the designated personnel for immediate screening and transmittal to TAX.
15. Retrieve the **Category 7** mail (to be sent to TAX as DIRECT-filed) identified in STEP 6C.
  A. Obtain a LAP-SORT 2 form.
     Please refer to Form: LAP-SORT 2.
  B. Write your locality FIPS code on the LAP-SORT 2 in the upper right hand box.
  C. Place the completed LAP-SORT 2 form on top of the associated Category 7 documents.
  D. Rubber band the **Category 7** mail with the LAP-SORT 2 on top.
  E. Route the **Category 7** documents to the appropriate personnel to transmit to TAX.
     Please refer to the PROCESS: TRANSMIT LOCAL FILED RETURNS TO TAX

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