

Screen Form 770 - Tax Year 2023

Process

[SCREEN LOCAL FILED TAX RETURNS - TAX YEAR 2023](#)

Effective Date

01/01/2024

Purpose

This task is performed to ensure each current year **Tax Year 2023** Form 770 is complete and that informational screening codes are on the return. This task is performed by representatives in the Commissioner of Revenue's Office.

This task covers the screening of **Form Type 770** in the following categories:


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

This task is performed at the same time as General Screening. Please refer to TASK: [General Screening of Individual Income Tax Returns - Tax Year 2023](#).

Special Notes

- Beginning in Tax Year 2018, an indicator was placed on printed copies of current year Form 770 returns that were prepared for e-File submission. If current year Form 770 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 770 returns bearing this indicator should be sorted as Category 7 items which are sent to Virginia Tax for **DIRECT** processing.

11. Amount from Form 760C or Form 760F. Enclose Form 760C or Form 760F.....11		_____	_____	.00
<input type="checkbox"/> Check here if farming, fishing or being a merchant seaman accounts for at least two-thirds of the income.	For Local Use <input type="checkbox"/> LTD	_____	\$	00
Va. Dept. of Taxation 770 W 2601047				XXXXXX



Verification of Completed Boxes at the Bottom of Form 770

- Local Tax Due Returns
 - A **RED** pen should be used when making payment notations at the bottom of the return.
 - The LTD box should reflect show an "X".
 - The associated payment amount should be entered on the _____ line.
 - ❖ **NOTE: If no payment accompanied the return, ZERO "0" should be entered on the _____ line.**

- Each bundle of documents received should contain only **one** Category and **one** Form type. **Do not mix types of documents.**
- The return is "coded" by writing the appropriate screening codes in the bottom right corner of Page 1 of the return.
- Making extensive changes to the return will result in processing delays and may cause errors. To assist a customer needing extensive changes, prepare a new 770 return and obtain the customer's signature. Give the original 770 return back to the customer because including it behind the correct return may cause processing problems and errors.

Procedure

Responsibility

Commissioner of Revenue's Office Locality Representative

Steps

1. Obtain a return to be screened.
2. Determine if the Computer-generated current year 770 bears the **XXXXX** e-file indicator on it.
 - A. If the return shows the **XXXXX eFile indicator** denoting that the return was prepared for eFile submission,
 1. Draw a bold line through the entire **XXXXX eFile indicator** using a yellow highlighter.
 2. Place the return aside to be sent to Virginia Tax for **DIRECT** processing.
 3. Go to **STEP 1**.
 - B. If the return doesn't show the **XXXXX e-file indicator**, go to **STEP 3**.
3. Determine if the Locality Code field is complete and if the taxpayer resided/resides in your locality.
 - A. If the Locality Code field is complete and the taxpayer resided/resides in your locality, go to **STEP 4**.
 - B. If the Locality Code field is complete **BUT the taxpayer resided/resides in another locality**, place the return aside to be sent to Virginia Tax for **DIRECT** processing.
 - C. If the Locality Code field is blank, write in the **FIPS** code associated with the city or county shown in the taxpayer's address.

NOTE: The Locality Code of "300" is designated when no city/county location is supplied by the customer.
4. Ensure the Federal Employer's Identification Number (FEIN) of the Estate or Trust has been entered in the box in the upper right corner of Page 1.
 - A. If the FEIN is missing,
 - 1) Review all attachments to locate the missing FEIN.
 - 2) Write the located FEIN in the appropriate field(s).
 - B. If the FEIN is missing AND cannot be found in the documents, set the documents aside for further research by the designated representative.
 - C. If the FEIN cannot be located after research, write "**FEIN Researched**" written in the right margin of the return next to the FEIN field.
5. Screen the Resident / Nonresident indicators.

NOTE: The indicator is a checkbox on the Handprint form or an "X" indicator in a field on the CG form.

 - A. If an indicator is marked, go to **STEP 6**.
 - B. If no indicator is marked, review the address and other documentation and check the appropriate box.
6. Review for Credit for Tax Paid to Another State.

NOTE: The credit is claimed on Line 5(d) of Form 770 with the details listed on Page 2, Schedule 4, Line 7.

 - A. If the Credit is not claimed, go to **STEP 8**.

- B. If the Credit is claimed AND if the other state's tax return **is included**, go to **STEP 7**.
 - C. If the Credit is claimed AND the other state's tax return is **not included AND**
 - 1) If the total credit is less than \$500, the other state's income tax return is not required. Go to **STEP 8**.
 - 2) If the total credit is equal to or greater than \$500, code "**MX**".
7. Determine if Form 760C or 760F is included.
- A. If Form 760C or 760F **is not** included, go to **STEP 8**.
 - B. If Form 760C or 760F **is** included, code "**CX**".
8. If the Farmer, Fisherman, and Merchant Seaman checkbox is checked, code as follows:
- **Return filed on or before April 15, 2024** - code "**IX**".
 - **Return filed after April 15, 2024** - code "**UX**".
9. Review the return's mail received date to determine if the return is **timely** or **late**.
- A. If the return was accompanied by an envelope, the postmark date will be handwritten below the actual postmark date.
 - B. If the return was hand-delivered, the mail received date will have been written in MMDDYY sequence in the bottom center of page 1 of the return.
- NOTE: Calendar year** returns are due **May 1st** except for returns marked Farmer, Fisherman, or Merchant Seaman. For returns filed by a Farmer, Fisherman, or Merchant Seaman, the due date is **March 1st**.
- NOTE: Fiscal year** returns are due the 15th day of the 4th month after the ending period date.
- Example:** Fiscal filing period beginning/from: 06/01/2023 and ending/to 05/31/2024, the due date is 09/16/2024.
10. Place the return aside in one of the following stacks:
- NOTE:** Farmer, Fisherman, Merchant Seaman returns are identified and noted separately as **Timely** or **Late** for transmittal to Virginia Tax to ensure special handling.
- **Stack 1: Timely** Farmer, Fisherman, Merchant Seaman returns
 - **Stack 2: Late** Farmer, Fisherman, Merchant Seaman returns
 - **Stack 3:** All other screened returns to be handled as **LOCAL** filed returns.
 - **Stack 4:** Returns to be handled as **DIRECT** filed returns
11. Repeat **STEPS 2 - 10** until all returns have been screened.
12. Gather the 770 returns.
- A. Secure each bundle with a rubber band or paper clip when there are too few returns to be rubber banded.
 - B. Place the completed bundle in the designated location for transmittal to Virginia Tax. (Refer to PROCESS: [Transmit Local Filed Returns to Virginia Tax.](#))

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