

# 2006 Virginia 760

## Resident Individual Income Tax Booklet



***Quick As A Click***  
**For Faster Refunds, File Electronically !**  
*(see page 1)*

VIRGINIA  
  
FREE INTERNET FILING

[www.tax.virginia.gov](http://www.tax.virginia.gov)

[www.irs.gov](http://www.irs.gov)



CLICK. ZIP. FAST ROUND TRIP.

## Letter from the Commissioner

Dear Virginia Taxpayer:

Electronic filing is the fastest way to file your taxes and the fastest way to get your refund. Filing this way continues to be more popular every year. Last year, more than half of the income tax returns were filed electronically.

Many of you may qualify for free electronic preparation of your federal and/or state income tax returns through the Free File Alliance. For information on this program, please check the IRS website, [www.irs.gov](http://www.irs.gov).

Regardless of whether you can use the Free File program, you can always file your Virginia income tax return online and absolutely free. Our website, [www.tax.virginia.gov](http://www.tax.virginia.gov) has information on our free iFile program. In addition, Commissioners of the Revenue in many localities will help you prepare and file your Virginia return electronically.

Like many of you, I am careful about protecting my confidential information when using electronic media. Whether you choose to file using our iFile program, the federal eFile, a tax preparer or your own software, please be assured that we protect your confidential tax information with the latest security safeguards.

Think of all of the advantages of electronic filing, no forms to get, no trips to the post office, and best of all, you can have your refund deposited directly to your account and avoid a trip the bank.

If you want more information on electronic filing, check out your library for a free seminar where we will show you how easy and secure electronic filing can be.

Sincerely,



Janie Bowen  
Tax Commissioner



## WHAT'S NEW

**Voluntary Contributions:** For 2006 there are two new voluntary contributions: Brown v. Board of Education Scholarship Program Fund and Virginia Cancer Centers. In addition, new Public School Foundations are eligible to receive voluntary contributions. See Page 24 for additional information.

**Virginia Earned Income Credit:** You may be eligible to claim the Virginia Earned Income Credit if your family Virginia adjusted gross income (family VAGI) is equal to or less than the federal poverty guidelines or you claimed the federal earned income tax credit. See Page 21 for additional information.

**Earned Income Credit claimed on your federal return:** If you claimed an Earned Income Credit on your federal return, you must fill the oval near the signature section. See Page 16 for additional information.

**Advancement of Virginia's Fixed Date Conformity with the Internal Revenue Code:** The 2006 General Assembly enacted legislation that moved Virginia's fixed date conformity with the Internal Revenue Code from January 7, 2005, to December 31, 2005. At the time these instructions went to print, the only required adjustments for "fixed date conformity" were: (i) the special 30% and 50% bonus depreciation allowance for certain assets under the IRC, and (ii) the 5-year net operating loss (NOL) carry back allowed for net operating losses generated in taxable year 2001 or 2002. If federal legislation is enacted that results in changes to the Internal Revenue Code for the 2006 taxable year, taxpayers may be required to make adjustments to their Virginia returns that are not described in the instruction booklet. Supplemental instructions will be posted on our Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov).

**Long-Term Care Tax Credit:** For taxable years beginning on or after January 1, 2006, any individual will be entitled to a credit against their income tax liability for certain long-term care insurance premiums paid by the individual during the taxable year pursuant to an insurance policy entered into on or after January 1, 2006. The amount of the credit for each taxable year shall equal 15% of the amount paid by the individual during the taxable year in long-term care insurance premiums for long-term care insurance coverage for himself, but in no event shall the total credits over the life of any policy exceed 15% of the amount of premiums paid for the first 12 months of coverage. If the amount of the credit exceeds the individual's income tax liability for the taxable year, the amount that exceeds the liability may be carried over for credit against the income taxes in the next five taxable years or until the full credit is used, whichever occurs first. More information can be found on our Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov).

**Tobacco Quota Buyout:** For taxable years beginning on and after January 1, 2006, there shall be subtracted from federal taxable income, contract payments to a producer of quota tobacco or a tobacco quota holder as provided under the American Jobs Creation Act of 2004. If the payment is received in installment payments, then the recognized gain, including any gain recognized in taxable year 2005, may be subtracted in the taxable year immediately following the year in which the installment payment is received. If the payment is received in a single payment, then 10% of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years. For more information, visit [www.tax.virginia.gov](http://www.tax.virginia.gov).

**Amended Returns:** If you file an amended return with the federal government or any other state that results in a change that would affect your Virginia income tax, you now must file an amended Virginia tax return within one year. For additional information, see Page 25 or visit [www.tax.virginia.gov](http://www.tax.virginia.gov) and click on *Tax Policy Library*.

## REMINDER

**Extension for Filing Income Tax Returns:** Taxpayers are granted an automatic six-month extension for filing an income tax return. No application for extension is required; however, any tentative tax due must be paid with a special extension voucher, Form 7601P, by the original due date for filing the return (May 1, 2007 for calendar year filers). The penalty for underpayment of tentative tax has increased to 2% per month.

## Health Insurance for Uninsured Children

### Does your child need Health Insurance?

Call 1-866-873-2647, contact your Local Department of Social Services, or visit us on the Internet at [www.FAMIS.org](http://www.FAMIS.org) to learn if your children might qualify.

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 <p style="font-size: small;">Saving for college with the Virginia College Savings Plan makes good sense. Earnings grow tax free and you can use your savings at colleges throughout the country. <b>Contact us to find out how to begin saving for tomorrow—today!</b></p> <p style="font-size: small;"><b>Call toll free 1-888-567-0540 or visit the web site at <a href="http://www.Virginia529.com">www.Virginia529.com</a></b></p>		<b>Virginia Prepaid Education Program™</b>
	<b>Virginia Education Savings Trust™</b>	
		<b>College America™</b>
	<b>College Wealth™</b>	

## Filing, Forms and Assistance



**Filing Options**  
File your return Electronically -  
it's fast, accurate and secure.



**Commercial Tax Preparation Software:** Many commercial tax preparation software companies have web-sites that provide taxpayers with on-line options for completing and filing returns electronically. In addition, many software companies participate in the IRS's Free File program by offering free tax preparation of your federal return and electronic filing services to taxpayers meeting certain criteria. To learn more about e-file and Free File programs, go to [www.IRS.gov](http://www.IRS.gov).

**Individual iFile:** You can prepare and file your Virginia return on-line at our Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov). It's fast, it's easy and it's secure. Plus it's free. To use iFile, all you need is your completed federal return and the refund or tax due amount from your previous year's Virginia return.

**Handprint Forms** (Form 760, Schedule ADJ, Schedule OSC and Schedule CR) are designed with green boxes for you to enter information that scanners can read and interpret. This machine reading capability reduces the amount of manual handling of returns and increases processing efficiency. We ask that you carefully print information in the designated green areas on the forms using black ink.

**Visit Our Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov)**

- Check your refund status
- File your Virginia Form 760
- File your Virginia extension
- Make Virginia estimated payments
- Use expanded tax table
- Use the on-line tax calculator
- Calculate your Spouse Tax Adjustment
- Calculate your Age Deduction
- Download Forms and instructions
- Read filing information and FAQs
- Review publications and bulletins
- Use the Tax Policy Library
- E-mail Customer Services
- Use *Web Payments* to pay on-line

**TELE-TAX (804) 367-2486:** With a touch-tone phone, you can access recorded tax information on a variety of topics 24 hours a day, and check the status of your refund during normal business hours.

**Customer Service Inquiries:** Call or visit your local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration for forms, information or return preparation assistance. Check the inside back cover for a list of localities and contact information. Contact the Virginia Department of Taxation at (804) 367-8031 or for TDD equipment **(804) 367-8329**. Order forms at (804) 440-2541 OR Virginia Department of Taxation, Forms Request Unit, P.O. Box 1317, Richmond, VA 23218-1317.

Tenemos servicios disponible en Español. Normal business hours are 8:30 a.m. to 4:30 p.m. Monday through Friday.

You can get a copy of the Virginia Taxpayer Bill of Rights by calling Customer Service or by visiting, [www.tax.virginia.gov](http://www.tax.virginia.gov).

**Requests for information may be mailed to:**

Virginia Department of Taxation  
P. O. Box 1115  
Richmond, Virginia 23218-1115

Do NOT mail your return to this address.

## Do You Need to File a Virginia Income Tax Return?

### FILING THRESHOLD

Complete Form 760, Lines 1 through 9, to determine your Virginia adjusted gross income (VAGI). If the amount on Line 9 is less than the amount shown below for your filing status, your Virginia income tax is \$0.00 and you are entitled to a refund of any withholding or estimated tax paid. You must file a return to receive a refund.

To claim a refund in these cases:

- Skip to Line 17 and enter "0" as your tax, then
- Complete Lines 18 through 31.

You must file if you are:

**Single** and your VAGI is \$7,000 or more

**Married filing jointly** and *combined* VAGI is \$14,000 or more

**Married filing separately** and your VAGI is \$7,000 or more

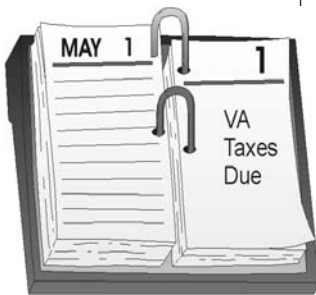
## When to File Your Return

- **Calendar year filer** - If your tax year is January 1, 2006 - December 31, 2006, your individual income tax return must be postmarked no later than **May 1, 2007**, to avoid late filing penalties and interest.
- **Fiscal year filer** - If your tax year is any consecutive 12 month period other than January - December, your return must be postmarked by the 15th day of the fourth month following the end of your fiscal year. When filing, you should write "Fiscal Year Filer" across the top of Page 1 of Form 760 and attach a statement indicating the beginning and ending months of your 12-month fiscal year.
- **Outside U.S.** - If you are living or traveling outside the United States and Puerto Rico (including serving in the military), the due date of your return is July 2, 2007. Fill in the overseas oval near the bottom of Page 2 of Virginia Form 760.
- **Weekends and holidays** - If the due date falls on a Saturday, Sunday or legal holiday, your return must be postmarked by the next business day.

**Extension Filing Procedures:** Beginning with taxable year 2005, you are allowed an automatic six-month extension of time to file your tax return. This provision does not extend the due date for payment of taxes; however, you must pay at least 90% of your tax by the original due date for filing the return (May 1, 2007 for calendar year filers). To make a payment of tentative tax by the due date, use **Form 760IP**.

If you file your return within six months from the due date, but you do not pay at least 90% of your tax by the original due date for filing your return, you will be subject to an extension penalty of 2% per month. The penalty is applied to the balance of tax due with the return from the original due date through the date the return is filed. The maximum extension penalty is 12% of the tax due. If you file more than six months after the original due date, the extension provisions will not apply, and you will be subject to the late filing penalty. In addition to these penalties, you will be subject to interest charges on any balance of tax due with your return, even if you meet the 90% payment requirement.

### DUE DATE



## Where to File

If you are filing a paper return, assemble your return and attachments according to the diagram on Page 5. For computer-generated returns, your completed Schedule INC/CG replaces the requirement for copies of W-2s. **Refer to the back cover of this booklet for mailing instructions.**

## Residency Status and Choosing the Right Form to File

- There are two types of Virginia residents: domiciliary and actual.
- A domiciliary resident of another state may also be an actual resident of Virginia.
- Virginia residency may be either full year or part-year.
- A nonresident of Virginia may be required to file a Virginia return.



To determine which Virginia return you should file, first determine if you were a resident of Virginia *at any time* during the taxable year:

### Step 1: Determine your residency status

#### **Domiciliary Resident**

You are a domiciliary (legal) resident if your permanent home is Virginia. Your permanent home is where, whenever you are absent, you intend to return. Every person has one and only one domiciliary residence at a time. Most domiciliary residents actually live in Virginia; however actual presence in the state is not required. If you have established legal domicile in Virginia, you are a domiciliary resident until you establish legal domicile in another state.

- Members of the armed forces who claim Virginia as their home of record are domiciliary residents, even if stationed outside of Virginia.
- A domiciliary resident who accepts employment outside of Virginia but who does not abandon Virginia as his or her domiciliary residence, even if outside of Virginia for many years, remains a domiciliary resident of Virginia. This includes domiciliary residents who accept employment outside of the United States.

#### **Actual Resident**

You are an *actual* resident if:

You maintained an abode in Virginia or were physically present in Virginia for more than 183 total days during the taxable year, even if you are a domiciliary resident of another state or country.

If you are an *actual* resident of Virginia, you may be required to file as a resident in Virginia and in your domiciliary state. In this situation, you should claim a credit on the return filed in the state of your legal domicile for taxes paid to Virginia.

**Students:** The rules for determining the residency status of a student are the same as for anyone else.

**Military Personnel and Members of the U.S. Congress:** If you are a member of the armed forces or of the U.S. Congress who is a domiciliary (legal) resident of another state, you are not subject to taxation as an *actual* resident of Virginia even if you maintained an abode in Virginia for more than 183 days. However, if you have income from Virginia sources other than your active duty or congressional pay, you may be required to file a Form 763, Nonresident income tax return.

**Spouses, Dependents and Congressional Staff Members:** The exemption for members of the armed forces and the U.S. Congress does **not** apply to spouses, dependents or congressional staff members. If you are a spouse or dependent of a member of the armed forces or of the U.S. Congress or you are employed by a member of the U. S. Congress, you must determine your own residency status and filing obligations, even if you filed a joint federal return.

### Step 2: Determine which income tax return you should file

#### Virginia Residents

##### **File Form 760, Resident Return, if:**

- You were an actual or domiciliary resident for the entire year; or
- You were an actual or domiciliary resident for a portion of the year, but all of your income for the entire year was from Virginia sources.

##### **File Form 760PY, Part-Year Resident Return, if:**

- You moved into Virginia during the taxable year and became either an actual or domiciliary resident; or
- You moved out of Virginia during the taxable year *and* became a domiciliary resident of another state, provided you did not move back to Virginia within six months.

**Note to Part-Year Residents:** If you had Virginia source income during the taxable year while you were a nonresident, you may also be required to file Form 763, Nonresident return. See Nonresidents, below.

**Married Taxpayers:** If one spouse is a nonresident, you may not file a joint Virginia return, even if you filed a joint federal return. The resident spouse will file either Form 760 or Form 760PY, while the nonresident spouse will file Form 763, if applicable. However, if one spouse is a full-year resident and the other spouse is a part-year resident, you may file a joint return using Form 760PY. See the 760PY instructions for information.

#### Nonresidents

##### **File Form 763, Nonresident Return, if:**

You had income from Virginia sources, other than interest from personal savings accounts, interest or dividends from an individual stock market investment, or pension payments from a Virginia payor.

Income from Virginia sources includes:

1. Items of income gain, loss and deductions attributable to: a) The ownership of any interest in real or tangible personal property in Virginia; b) A business trade, profession, or occupation carried on in Virginia; and c) Prizes paid by the Virginia Lottery, and gambling winnings from wagers placed or paid at a location in Virginia.
2. Income from intangible personal property, including annuities, dividends, interest, royalties and gains from the disposition of intangible personal property employed by an individual in a business, trade, profession or occupation carried on in this state.

If you were a Virginia resident for part of the year and you also received Virginia source income during your period of residence outside Virginia, you must file Form 760PY and Form 763. The Virginia source income reported on Form 763 will be the only Virginia source income you received while a nonresident.

#### Exceptions for Certain Nonresidents

**Kentucky and the District of Columbia:** If you are a resident of Kentucky or the District of Columbia who commutes daily to work in Virginia, you are not required to file a Form 763 Nonresident return, provided that 1) you had no actual place of abode in Virginia at any time during the taxable year and 2) your only income from Virginia sources is salaries and wages and 3) your salary and wages are subject to income taxation by Kentucky or the District of Columbia.

**Maryland, Pennsylvania and West Virginia:** If you are a resident of Maryland, Pennsylvania or West Virginia and you earn salaries and wages in Virginia, you do not have to file a Form 763, Nonresident return, provided that 1) your only income from Virginia sources is salaries and wages and 2) you were present in Virginia for 183 days or less during the taxable year and 3) your salaries and wages are subject to taxation by Maryland, Pennsylvania, or West Virginia.

The exception for certain nonresidents of Kentucky, the District of Columbia, Maryland, Pennsylvania and West Virginia applies only to salaries and wages. For Virginia source income not specifically exempted, you must file the Form 763, Nonresident return.



## Getting Started

Reminder:  
Keep copies of your completed Form 760 and all supporting documentation for three years.

Before you begin to prepare your Virginia Form 760, you will need the following:

- Your completed federal income tax return.
- W-2 and 1099 forms showing Virginia withholding.
- Virginia Schedule ADJ. See next section.
- Other state income tax returns filed if you are claiming the credit for tax paid to another state. For multiple credits, you will need Schedule OSC.
- Virginia Schedule CR. See Page 25.

If you are filing an amended return, you will need copies of the records supporting the change to your return, as well as your original return.

## Do You Need to Complete Virginia Schedule ADJ?

Complete Virginia Schedule ADJ if you need to report any of the following:

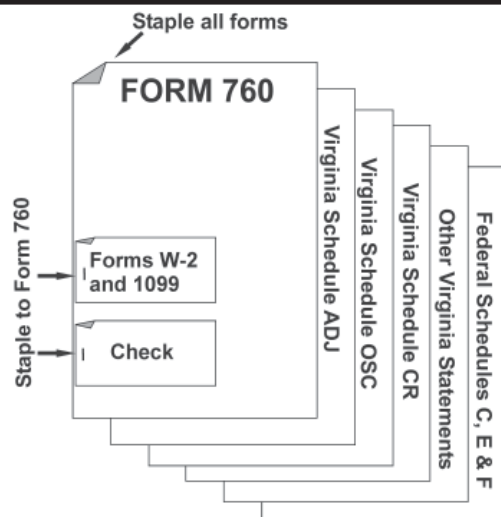
- Additions to Federal Adjusted Gross Income (FAGI)
- Subtractions from FAGI not reported on Form 760
- Credit for Low Income Individuals
- Credit for Tax Paid to Another State
- Addition to tax
- Penalties and Interest
- Consumer's Use Tax
- Voluntary Contributions
- Changes based on an amended return

## Assembling Your Return

### ATTACHMENTS TO FORM 760

- W-2s & 1099s
- Schedule ADJ
- Schedule OSC
- Schedule CR
- 760C or 760F
- VA Credit Schedules
- Other VA Statements or Schedules
- Federal Schedules C, C-EZ, E and F
- Other federal forms as applicable

Enclose the **original** Virginia Form 760, Schedule ADJ, Schedule OSC and Schedule CR. Do not send photocopies of these forms. Photocopies of all supporting documents are acceptable.



## Amended Returns

Complete Virginia Form 760 through Line 24. You will need to complete Lines 27 through 32 on Virginia Schedule ADJ to determine if you are due a refund or if any additional tax due should be paid with your amended return. Remember to fill in the oval located on the front of Form 760, indicating that this is an amended return. Also, fill in the oval on the front of the return if the amended return is the result of a net operating loss (NOL) carryback. Be sure to attach a complete copy of your federal amended return, if applicable.

## Instructions for Form 760

### Name and Address

Enter your name and mailing address in the space provided. If you use Filing Status 3 (married filing separate returns), DO NOT enter your spouse's name in the spouse name field. Instead enter your spouse's name in the space below the filing status 3 line.

If one filer on the return is deceased, only the surviving spouse's name should appear in the name fields on the front of Virginia Form 760. The surviving spouse should enter his or her Social Security Number in the "Your Social Security Number" field. Enter the Social Security Number for the deceased spouse in the "Spouse's Social Security Number" field. This will ensure that any refund is properly issued to the surviving spouse. Be sure to fill in the oval on the back of the form for deceased spouse.



Deceased taxpayer  
- If a refund is due, and the return filed is not a joint return with the surviving spouse, a copy of federal Form 1310 or the appropriate court appointment papers must be included with the return so that the refund may be issued in the name of the personal representative.

**Ovals** - Fill in any ovals that apply to you.

- Name or filing status has **changed** since last filing.
- Address has **changed** since last filing.
- Virginia return was not filed last year.
- Return adjusted for fixed date conformity - fill in the oval if the return has an addition, subtraction or an adjustment to itemized deductions due to fixed date conformity.
- Dependent on another's return - See Page 10.
- Amended return - See Page 25 for details.

**Fiscal year filers:** Your return must be postmarked by the 15th day of the fourth month following the end of your fiscal year. When filing, you should write "Fiscal Year Filer" across the top of Page 1 of Form 760 and attach a statement indicating the beginning and ending months of your 12-month fiscal year.

### Social Security Number

Enter your Social Security Number and the first four letters of your last name in the boxes. If using Filing Status 2, you must also enter the Social Security Number and first four letters of the last name of your spouse. For filing status 3, enter your spouse's Social Security Number and record their name on the line under the filing status 3 oval.

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### PRIVACY ACT

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In compliance with the Privacy Act of 1974, disclosure of your Social Security Number is mandatory under the authority of Section 58.1-209 of the Code of Virginia. Your Social Security Number is used both as a means of identifying your income tax return and also of verifying the identity of individuals for income tax refund purposes.

**Locality Code:** Please be sure to properly identify the city or county where you live. Local school funding is allocated based in part on this information. Look up the three-digit code on the inside back cover for the locality in which you lived on January 1, 2007. Enter the corresponding number in the boxes provided on the form.

## Filing Status

In most cases, your filing status will be the same as the one you selected on your federal return. Fill in the oval next to the appropriate filing status. Fill in the Head of Household oval if you checked the Head of Household box on your federal return.

If one spouse is a resident and the other is a nonresident, they may not file a joint Virginia return, even if they filed a joint federal return. The resident spouse files a separate return under Filing Status 3, using Form 760. A nonresident spouse who has Virginia source income to report will file a separate return on Form 763. The spouses must compute their itemized deductions and allocate exemptions for dependents as if they had filed separate federal returns. As a general rule, the spouse claiming an exemption for a dependent must be reporting at least half of the total federal adjusted gross income. In addition, the spouse must be able to support his/her claim of itemized deductions. If the underlying expenses for itemized deductions cannot be accounted separately, each spouse may claim a proportionate share of the deductions based on their respective shares of their joint federal adjusted gross income.

## Exemptions

Fill in the bubbles to claim the personal exemptions you are allowed. Enter the number of dependent exemptions you are allowed in the boxes. If you are not entitled to a particular exemption, leave the bubble or box blank. Generally, you may claim the same number of dependent exemptions allowed on your federal return. The same dependent cannot be claimed on more than one Virginia return.

You cannot claim the 65+ or Blind exemptions if you also claim a credit for Low Income Individuals on Line 21 of Form 760.

Multiply the number in the "Total" box of section A by \$900. Multiply the number in the "Total" box of Section B by \$800. Add the dollar amount from Section A to the dollar amount from Section B and enter the sum on Line 11.

*Note for Filing Status 3* Each spouse must determine exemptions as if he or she had filed separate federal returns, using federal rules for separate reporting. If the number of dependent exemptions cannot be accounted for separately, they must be proportionately allocated between each spouse based on each spouse's income. One spouse may never claim less than a whole personal exemption.

## Line Instructions

### Round to Whole Dollars:

To improve accuracy of return preparation and speed the processing of your return, all amount entries on your return must be rounded to the nearest dollar. Amounts less than 50 cents should be rounded down while all amounts of 50 cents - 99 cents should be rounded up.

- Line 1 Federal Adjusted Gross Income** Enter the federal adjusted gross income from your federal return. If married filing separately (Filing Status 3), enter only the amount of income attributable to you. Be sure to use the federal adjusted gross income amount, NOT federal taxable income.
- Line 2 Additions** If you reported any additions on Virginia Schedule ADJ, enter the total amount from Line 3 on Schedule ADJ.
- Line 3** Add Lines 1 and 2 and enter the total.

## Line 4 Instructions - Age Deduction

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**Are you eligible to claim an age deduction?** If so, enter your birth date (and your spouse's birth date, if applicable) in the boxes provided.

For 2006, taxpayers born on or before January 1, 1942, may qualify to claim an age deduction based on birth date, filing status and income. A taxpayer who claims an age deduction may **NOT** claim either of the following:

**Disability Subtraction:** If you claim an age deduction, you may not claim a disability subtraction. For married taxpayers, each spouse, if eligible, may claim either an age deduction or a disability subtraction. You should claim the deduction or subtraction that gives you the greatest tax benefit.

**Credit for Low Income Individuals or Virginia Earned Income Credit:** You may not claim both an age deduction and a credit for low income or Virginia Earned Income Credit. For married taxpayers filing separate returns, if one spouse claimed a credit for low income or Virginia Earned Income Credit, neither spouse can claim an age deduction.

If you, or your spouse if you are married, are not claiming a disability subtraction or a credit for low income and your birth date is on or before January 1, 1942, please read the information below to determine if you qualify for an age deduction and how to determine the amount of the age deduction you may claim for 2006.

### Taxpayers Age 65 and Older

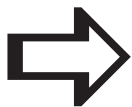
If you, or your spouse if you are married, were **born on or before January 1, 1942**, you may qualify to claim an age deduction of up to \$12,000 each for 2006. The age deduction you may claim will depend upon your birth date, filing status and income.

#### **If your birth date is:**

- **On or before January 1, 1939:** You may claim an age deduction of \$12,000. If you are married, each spouse born on or before January 1, 1939, may claim a \$12,000 age deduction. For individuals born after January 1, 1939, the age deduction is based on the criteria below.
- **On or between January 2, 1939, and January 1, 1942:** Your age deduction is based on your income. A taxpayer's income, for purposes of determining an income-based age deduction is the taxpayer's *adjusted federal adjusted gross income* or "AFAGI." A taxpayer's AFAGI is the taxpayer's federal adjusted gross income, modified for any fixed date conformity adjustments, and reduced by any taxable Social Security and Tier 1 Railroad Benefits.
  - For Filing Status 1, Single Taxpayer, the maximum allowable age deduction of \$12,000 is reduced \$1 for every \$1 the taxpayer's AFAGI exceeds \$50,000.
  - For All Married Taxpayers, whether filing jointly or separately, the maximum allowable age deduction of \$12,000 each is reduced \$1 for every \$1 the married taxpayers' joint AFAGI exceeds \$75,000.


**To compute your income-based age deduction,  
use the Age 65 and Older Age Deduction worksheet on the next page.**

**Notice to All Married Taxpayers:** A married taxpayer's income-based age deduction is **always** determined using the married taxpayers' joint AFAGI. Regardless of whether you are filing jointly or separately, if you are married, your income-based age deduction is determined using both your and your spouse's income. In addition, if both spouses are claiming an income-based age deduction, regardless of whether filing jointly or separately, the married taxpayers must compute a joint age deduction first, then allocate half of the joint deduction to each spouse.



## Age 65 and Older Age Deduction Worksheet

**FOR 2006:** Only taxpayers born on or between January 2, 1939, and January 1, 1942, may claim an income-based age deduction for 2006. Married taxpayers, regardless of whether filing jointly or separately, or whether one or both spouses are claiming an income-based age deduction, always enter the combined total of both spouses' income.

<p>1. Enter the number of taxpayers born on or between January 2, 1939, and January 1, 1942, who are claiming an <u>income-based age deduction</u> for Age 65 and Older.</p> <p>A. <i>Filing Status 1, Single:</i> Enter 1.</p> <p>B. <i>All Married Taxpayers:</i></p> <ul style="list-style-type: none"> <li>● If one spouse is claiming an <u>income-based age deduction</u>: Enter 1.</li> <li>● If both spouses are eligible to claim an <u>income-based age deduction</u> and both spouses are filing Virginia returns, regardless of whether you are filing jointly or separately: Enter 2.</li> </ul>		
<p>2. Enter your Federal Adjusted Gross Income (FAGI).</p> <p>A. <i>Filing Status 1, Single:</i> Enter your FAGI from your federal return.</p> <p>B. <i>All Married Taxpayers:</i> Enter the <b>combined FAGI for you and your spouse</b> from your federal return(s).</p>		
<p>3. Enter your fixed date conformity (FDC) addition, if applicable.</p> <p>A. <i>Filing Status 1, Single:</i> Enter your FDC addition.</p> <p>B. <i>All Married Taxpayers:</i> Enter the combined FDC addition for you and your spouse.</p>		
<p>4. Add Line 2 and Line 3 and enter the total.</p>		
<p>5. Enter your fixed date conformity (FDC) subtraction, if applicable.</p> <p>A. <i>Filing Status 1, Single:</i> Enter your FDC subtraction.</p> <p>B. <i>All Married Taxpayers:</i> Enter the combined FDC subtraction for you and your spouse.</p>		
<p>6. Subtract Line 5 from Line 4 and enter the difference.</p>		
<p>7. Enter your Social Security and Tier 1 Railroad Benefits.</p> <p>A. <i>Filing Status 1, Single:</i> Enter taxable benefits from your federal return.</p> <p>B. <i>All Married Taxpayers:</i> Enter the combined taxable benefits for you and your spouse from your federal return(s).</p>		
<p>8. Subtract Line 7 from Line 6 and enter the difference. <b>This is your AFIGI.</b></p>		
<p>9. Enter the income limit for your age deduction -</p> <p style="padding-left: 40px;"><i>Filing Status 1, Single: enter \$50,000</i> <i>All Married Taxpayers, enter \$75,000</i></p>		
<p>10. <b>If Line 8 is less than Line 9, your AFIGI is below the threshold.</b></p> <p>A. <i>Filing Status 1, Single:</i> Enter \$12,000 here and on your return.</p> <p>B. <i>All Married Taxpayers:</i> Enter \$12,000 here for each spouse claiming an income-based age deduction here and on your return(s).</p>	<b>You</b>	<b>Spouse</b>
<p>11. <b>If Line 8 is greater than Line 9, subtract Line 9 from Line 8 and enter the difference.</b></p>		
<p>12. <b>Multiply Line 1 by \$12,000 and enter result.</b></p>		
<p>13. <b>If Line 11 is greater than Line 12:</b> <b>You do not qualify for an age deduction.</b></p> <p>If married and you are computing an income-based age deduction for both spouses, neither spouse qualifies for an age deduction.</p>		
<p>14. <b>If Line 12 is greater than Line 11, subtract Line 11 from Line 12 and enter the difference.</b></p> <p>A. <i>Filing Status 1, Single:</i> This is your age deduction. Enter on your return.</p> <p>B. <i>Married Taxpayer and <u>only one spouse</u> claiming an income-based age deduction:</i> This is your age deduction. Enter on your return.</p> <p>C. <i>Married Taxpayers and <u>both spouses</u> claiming an income-based age deduction -</i> Go to Line 15.</p>		
<p>15. <i>Married Taxpayers and both spouses are claiming an income-based age deduction:</i> <b>Divide Line 14 by 2.</b> Enter result in the "You" and "Spouse" columns. Enter on your return(s).</p>	<b>You</b>	<b>Spouse</b>

**Line Instructions - Virginia Form 760**

**Line 5 Social Security Act and equivalent Tier 1 Railroad Retirement Act Benefits** Enter the amount of taxable social security and/or railroad retirement act benefits that you included in your federal adjusted gross income.

**Line 6 State Income Tax Refund or Overpayment Credit** Enter the amount of any state income tax refund or overpayment credit that you reported as income on your federal return.

**Line 7 Subtractions** If you reported any other subtractions on Virginia Schedule ADJ, enter the total amount from Line 7 of Schedule ADJ.

**Line 8** Add Lines 4, 5, 6 and 7, and enter the total.

**Line 9 Virginia Adjusted Gross Income** Subtract Line 8 from Line 3 and enter the total. Compare this number with the filing threshold for your filing status, as shown on Page 2 to see if you are required to file Form 760. If your income is below the threshold amount, but you had Virginia income tax withheld or made estimated tax payments, follow the instructions on Page 2 to complete your return and claim your refund.

**Line 10 Standard or Itemized Deductions** You must claim the same type of deductions (standard or itemized) on your Virginia return as you claimed on your federal return. Your state and local income taxes must be subtracted from your itemized deductions. Property and other taxes included as deductions on your federal return are also allowed on your Virginia return.

Note for Filing Status 3: If one spouse claims itemized deductions, the other spouse must also claim itemized deductions. If it is not possible to determine deductions separately, they should be allocated proportionately based on your shares of your combined federal adjusted gross income.

**STANDARD DEDUCTIONS**

If you claimed the standard deduction on your federal return, you must also claim the standard deduction on your Virginia return. Enter on Line 10 the amount listed below that corresponds with your filing status.

- Single.....Filing Status 1 ..... Enter \$3,000 on Line 10
- Married joint return .....Filing Status 2 ..... Enter \$6,000 on Line 10
- Married separate return ....Filing Status 3..... Enter \$3,000 on Line 10

**Do not complete Lines 10a or 10b when claiming a standard deduction.**

**Dependent on Another’s Return** - If you can be claimed as a dependent on the federal return of another taxpayer, your allowable standard deduction is limited to the amount of your earned income. Enter the **smaller** of the amount of earned income or the standard deduction amount on Line 10.

**ITEMIZED DEDUCTIONS**

You must claim itemized deductions on your Virginia return if you claimed itemized deductions on your federal return. Before making an entry on Form 760, Lines 10a or 10b, answer the following questions:

**Do you have an addition (Schedule ADJ, Line 2a) or subtraction (Schedule ADJ, Line 6a) for Fixed Date Conformity?**

OR { **YES**→ Refer to Page 11 and follow the instructions on the FDC Worksheet and Itemized Deduction Worksheet to complete Form 760, Lines 10a and 10b.

**NO**→ **Are your itemized deductions on your federal return limited?**

OR { **YES**→ Refer to Page 11 and follow the instructions on the Itemized Deduction Worksheet to complete Form 760, Lines 10a and 10b.

**NO**→ Enter the total from federal Schedule A on Form 760, Line 10a; and the state and local income tax from federal Schedule A on Form 760, Line 10b.

**FDC WORKSHEET**  
**Fixed Date Conformity Modification To Itemized Deductions**

Enter the information requested on each line. In most cases, the deduction allowed on federal Schedule A will be allowed on the FDC Worksheet. The exceptions are Gifts to Charity (Sch. A, Line 18) and Casualty and Theft Loss (Sch. A, Line 19). These amounts should be recomputed by substituting the amount on Line 5 of this worksheet for the FAGI you used to compute your federal limitations.

**Computation of Fixed Date Conformity Federal Adjusted Gross Income**

- 1 Federal Adjusted Gross Income (FAGI) from federal return .....1 \_\_\_\_\_
- 2 Fixed date conformity additions to FAGI .....2 \_\_\_\_\_
- 3 Subtotal. Add Lines 1 and 2.....3 \_\_\_\_\_
- 4 Fixed date conformity subtractions from FAGI .....4 \_\_\_\_\_
- 5 Fixed date conformity FAGI. Subtract Line 4 from Line 3.....5 \_\_\_\_\_

**MODIFICATIONS TO ITEMIZED DEDUCTION DUE TO FIXED DATE CONFORMITY**

**All references are to the same line and amount claimed on the federal Schedule A unless otherwise specified.**

- 6 Medical and dental expenses claimed on federal Schedule A, Line 1.6 \_\_\_\_\_
- 7 Enter amount from Line 5 above .....7 \_\_\_\_\_
- 8 Multiply Line 7 above by 7.5% (.075).....8 \_\_\_\_\_
- 9 Subtract Line 8 from Line 6. If Line 8 is greater than Line 6, enter -0- .....9 \_\_\_\_\_
- 10 Enter the amount from federal Schedule A, Line 9.....10 \_\_\_\_\_
- 11 Enter the amount from federal Schedule A, Line 14.....11 \_\_\_\_\_
- 12 Enter the amount from federal Schedule A, Line 18.....12 \_\_\_\_\_
- 13 Enter the amount from federal Schedule A, Line 19.....13 \_\_\_\_\_
- 14 Unreimbursed employee expenses from federal Schedule A, Line 20 ....14 \_\_\_\_\_
- 15 Tax preparation fees from federal Schedule A, Line 21 .....15 \_\_\_\_\_
- 16 Other expenses claimed on federal Schedule A, Line 22.....16 \_\_\_\_\_
- 17 Add Lines 14 through 16.....17 \_\_\_\_\_
- 18 Enter amount from Line 5 above .....18 \_\_\_\_\_
- 19 Multiply Line 18 above by 2% (.02).....19 \_\_\_\_\_
- 20 If Line 19 is greater than Line 17, enter -0-. Otherwise, subtract Line 19 from Line 17.....20 \_\_\_\_\_
- 21 Enter the amount from federal Schedule A, Line 27 .....21 \_\_\_\_\_
- 22 Add Lines 9, 10, 11, 12, 13, 20 and 21 .....22 \_\_\_\_\_

Is Line 5 above over \$150,500 (over \$75,250 if married filing separately)?

**NO.** Your deduction is not limited. Enter the amount from Line 22 on Line 10a Form 760. Enter the state and local tax from federal Schedule A on Form 760, Line 10b.

**YES.** Your deduction may be limited. Complete the Virginia ITEMIZED DEDUCTION WORKSHEET below.

**ITEMIZED DEDUCTION WORKSHEET**

**Virginia Tax Modification for Federal Adjusted Gross Income over \$150,500 (\$75,250 if filing separately.)**

Refer to federal Schedule A to complete the worksheet below. If you completed the FDC Worksheet above, substitute those figures for corresponding Schedule A information.

**Part A - Total federal itemized deductions.**

- 1. Federal Sch. A, total Lines 4, 9, 14, 18, 19, 26 & 27 or Line 22 from the above FDC Worksheet. ....1 \_\_\_\_\_
- 2. Add the amounts on Schedule A, Lines 4 (or FDC Worksheet, Line 9), 13 and 19, plus any gambling losses included on Line 27. ....2 \_\_\_\_\_
- 3. Subtract Line 2 from Line 1. If the result is zero, **stop here**; enter the amount from Line 1 above on Line 10a, Form 760. (The limitation does not apply.).....3 \_\_\_\_\_
- 4. Multiply Line 3 above by 80% (0.80). ....4 \_\_\_\_\_
- 5. Enter the total from Form 760, Line 1 or Line 5 of the FDC Worksheet. ....5 \_\_\_\_\_
- 6. Enter \$150,500 (\$75,250 if married filing separately) .....6 \_\_\_\_\_
- 7. Subtract Line 6 from Line 5. If the result is zero or less, **stop here**; complete Line 10a of Form 760 (the limitation does not apply.).....7 \_\_\_\_\_
- 8. Multiply Line 7 above by 3% (0.03). ....8 \_\_\_\_\_
- 9. Enter the smaller of Line 4 or Line 8. ....9 \_\_\_\_\_
- 10. Divide Line 9 by 3.....10 \_\_\_\_\_
- 11. Subtract Line 10 from Line 9.....11 \_\_\_\_\_
- 12. Total itemized deductions. Subtract Line 11 from Line 1. Enter the total on Line 10a, Form 760 under Total Deductions and continue the worksheet. ....12 \_\_\_\_\_

**Part B - State and local income tax modification**

- 13. Enter the state and local income tax shown on Schedule A.....13 \_\_\_\_\_
- 14. Enter the amount from Line 11 above. ....14 \_\_\_\_\_
- 15. Enter the amount from Line 3 above.....15 \_\_\_\_\_
- 16. Divide Line 14 by Line 15. Enter the result to 3 decimal places.....16 \_\_\_\_\_
- 17. Multiply Line 16 by Line 13.....17 \_\_\_\_\_
- 18. Subtract Line 17 from Line 13. Enter on Line 10b, Form 760. ....18 \_\_\_\_\_

## Line Instructions - Virginia Form 760



You can calculate your Spouse Tax Adjustment (STA) on-line at the TAX Web-site.

[www.tax.virginia.gov](http://www.tax.virginia.gov)

**To claim a Spouse Tax Adjustment, both taxpayers on the joint return must have income.**



To speed processing, be sure to enter the Virginia Adjusted Gross Income for each spouse on Lines 16a & 16b.

**Line 11 Exemptions** Enter the total dollar amount from Exemption Section A plus the total dollar amount from Exemption Section B.

**Line 12 Child and Dependent Care Deduction** You may claim this deduction on your Virginia return only if you were eligible to claim a credit for child and dependent care expenses on your federal return. Enter the amount on which the federal credit for child and dependent care is based. (This is the amount on federal Form 2441 or Schedule 2 of Form 1040A that is multiplied by the decimal amount - up to \$3,000 for one dependent and \$6,000 for 2 or more.). **DO NOT ENTER THE FEDERAL CREDIT AMOUNT.**

**Line 13** Add Lines 10, 11 and 12 and enter the total.

**Line 14 Virginia Taxable Income** Subtract Line 13 from Line 9.

**Line 15 Amount of Tax** To compute your tax, you can use either the tax table or the tax rate schedule on Page 29 or use the Tax Calculator on our Web-site.

**Line 16 Spouse Tax Adjustment (STA)** Couples filing jointly under Filing Status 2 may reduce their tax by up to \$259 with the STA if **both have taxable income** to report and their joint taxable income on Line 14 is more than \$3,000. Using the STA, couples filing joint returns will not pay higher taxes than if they had filed separate returns. To complete the Spouse Tax Adjustment Worksheet:

- Recompute your Federal Adjusted Gross Income (FAGI) as if you and your spouse filed separate federal returns. A worksheet is provided on the next page to help in computing separate FAGI.
- Use the recomputed FAGI to compute the Virginia Adjusted Gross Income (VAGI) for each spouse.
- Use the separate VAGI on Line 1 of the Spouse Tax Adjustment Worksheet.

**HOW IT WORKS:** Virginia tax rates increase with income: 2% up to \$3,000; 3% from \$3,001 to \$5,000; 5% from \$5,001 to \$17,000 and 5.75% for income over \$17,000. The STA lets both incomes reported on jointly filed returns benefit from the lower tax rates.

**EXAMPLE:** The Smiths have combined Virginia taxable income of \$42,000. Mr. Smith's income is \$30,000 and Mrs. Smith's income is \$12,000. Without the STA, their Virginia tax is \$2,157. With the STA, both incomes benefit from the lower tax rates. Using the STA Calculator at [www.tax.virginia.gov](http://www.tax.virginia.gov), the Smiths compute an STA of \$214, reducing their taxes to \$1,943. If you cannot access the TAX Web-site, use the following worksheet to calculate your STA. You will need your federal tax return and, if applicable, a completed Virginia Schedule ADJ.

Enter your STA amount on Line 16 of Form 760. You must also enter the Virginia Adjusted Gross Income (VAGI) for each spouse on Lines 16a and 16b.



## Spouse Tax Adjustment Worksheet

Be sure to enter the Virginia Adjusted Gross Income for each spouse on Lines 16a & 16b of Form 760.

### PART 1: SEPARATE YOUR INCOME AND EXEMPTIONS

1. Enter the portion of the Virginia Adjusted Gross Income (VAGI) on Line 9 of Form 760 that is related to each spouse .....  
Use the worksheet at the bottom of the page to compute the separate VAGI for each spouse.
2. Enter separate personal exemption amounts. Enter a 1 in the boxes that apply and multiply the total by \$800.  
Add \$900 to the total to compute the personal exemptions for you and spouse.

	65 or over		Blind		Total			
You:		+		=		x \$800 =		+ \$900 = .....
Spouse:		+		=		x \$800 =		+ \$900 = .....

3. Subtract Line 2 from Line 1. If either amount is 0 or less, stop here; you do not qualify for this credit .....

### PART 2: CALCULATE YOUR TAX ADJUSTMENT

4. Enter the taxable income from Line 14 on Form 760 .....
5. Enter the smaller amount from Line 3 above. **If this amount is larger than \$17,000 and Line 4 is larger than \$34,000, skip to Line 12 and enter \$259 as the credit** .....
6. Subtract Line 5 from Line 4 (if \$0 or less, enter \$0) .....
7. Divide the amount on Line 4 by 2 .....
8. Enter the tax on the **smaller** amount from Line 5 or Line 7. Refer to the tax table or rate schedule .....
9. Enter the tax on the **larger** amount from Line 6 or Line 7. Refer to the tax table or rate schedule .....
10. Add Lines 8 and 9 .....
11. Enter the tax from Line 15 on Form 760 .....
12. **TAX ADJUSTMENT:** Subtract Line 10 from Line 11. Enter this amount on Line 16 of Form 760 .....

The Spouse Tax Adjustment cannot exceed \$259

	You	Spouse

## Worksheet for Determining Separate Virginia Adjusted Gross Income

### STEP 1 – Determine Separate Federal Adjusted Gross Income

- |   | You | Spouse |
|---|-----|--------|
| 1. Wages, salaries, etc.....  |     |        |
| 2. Taxable interest and dividend income.....                                  |     |        |
| 3. Taxable refunds, adjustments or offsets of state and local income tax..... |     |        |
| 4. Business income.....   |     |        |
| 5. Capital gains/losses and other gains/losses.....                           |     |        |
| 6. Taxable pensions, annuities and IRA distributions.....                     |     |        |
| 7. Rents, royalties, partnerships, estates, trusts, etc.....                  |     |        |
| 8. Other income (Farm Income, taxable social security, etc.).....             |     |        |
| 9. Gross income - add Lines 1 through 8.....                                  |     |        |
| 10. Adjustments to gross income.....  |     |        |
| 11. FAGI-subtract Line 10 from Line 9.....                                    |     |        |

*(The total of both columns should equal your joint FAGI reported on your 1040, 1040A or 1040EZ)*

### STEP 2 – Determine Separate Virginia Adjusted Gross Income

- |   |  |  |
|---|--|--|
| 12. Total additions to FAGI (Form 760, Line 2) .....  |  |  |
| 13. Sub-total - add Lines 11 and 12 .....   |  |  |
| 14. Age Deduction (Form 760, Line 4).....   |  |  |
| 15. Social Security Act and Tier 1 Railroad Retirement Act Benefits (Form 760, Line 5) .....  |  |  |
| 16. State income tax refund or overpayment credit reported as income on your federal return (Form 760, Line 6) .....                      |  |  |
| 17. Other Subtractions (Form 760, Line 7) .....   |  |  |
| 18. Total Subtractions from FAGI – add Lines 14, 15, 16, and 17 .....   |  |  |
| 19. Subtract Line 18 from Line 13. These are your separate VAGI amounts to be used on Line 1 of the Spouse Tax Adjustment Worksheet ..... |  |  |

*(The total of both columns should equal your combined VAGI reported on Line 9 of your 760)*

	You	Spouse

Enter VAGI amounts here  
and on Form 760, Line 16a & 16b

## Line Instructions - Virginia Form 760

- Line 17 Net Amount of Tax** Subtract Line 16 from Line 15 and enter the difference on Line 17.
- Line 18a Virginia Tax Withheld During Tax Year 2006** Enter the amount of Virginia tax withheld from your W-2 and 1099 form(s) in the box labeled "Your Virginia Withholding."
- Line 18b** If filing a joint return, enter the amount of Virginia tax withheld from your spouse's W-2 and 1099 form(s) in the box labeled "Spouse's Virginia Withholding."
- Line 19 Estimated Payments for Tax Year 2006** Enter the total amount of your 2006 estimated payments. Remember to include any overpayment from your 2005 tax return that you applied to your 2006 estimated taxes (calendar year filers due dates are May 1, June 15, September 15 & January 15). If you did not have enough income tax withheld this year, you may need to increase the amount of tax withheld or pay estimated income tax for 2007. Generally, you are required to make payments of estimated income tax if your estimated Virginia tax liability exceeds your Virginia withholding and other tax credits by more than \$150. **To make estimated payments, file Form 760ES or visit our Web-site at [www.tax.virginia.gov](http://www.tax.virginia.gov).**
- Line 20 Extension Payments** Enter the amount of tentative tax paid with your Form 760IP or the amount paid if you made an extension payment on our Web-site.
- Line 21 Tax Credit for Low Income Individuals or Virginia Earned Income Credit** If you claimed a Credit for Low Income Individuals or Virginia Earned Income Credit on Virginia Schedule ADJ, enter the total amount from Line 12 on Schedule ADJ. Refer to Page 21 of this Instruction booklet for additional information. The amount of the credit claimed may not exceed your tax liability on Line 17 of Form 760. For example, if net tax on Line 17 is \$141, and the allowable amount of your eligible credit is \$300, then enter \$141 on Line 21.
- Line 22 Credit for Tax Paid to Another State** Enter the amount of credit for tax paid to another state that you claimed on Virginia Schedule ADJ, Line 19 or Schedule OSC, Line 41. Refer to Page 22 for additional information. You must attach Schedule ADJ or Schedule OSC and a copy of the other state's return.
- Line 23 Other Credits** If you claimed any credits on Virginia Schedule CR, enter the amount from Line 116 on Virginia Schedule CR.
- If you are only claiming a Political Contributions Credit, enter the amount of the credit. You do not need to attach Schedule CR. The Political Contributions Credit is available to individuals who make contributions to candidates for state or local political office. The credit is 50 percent of the amount of the contribution, subject to a \$25 limit for individuals and a \$50 limit for married taxpayers filing jointly and cannot exceed your tax liability.
- Note: The Credit for Low Income Individuals, the Credit for Taxes Paid to Another State and most credits from Schedule CR, including the Political Contribution Credit, are nonrefundable. The total of all nonrefundable credits cannot exceed your tax liability as shown on Line 17 of Form 760.
- Line 24 Total Payments and Credits** Add the amounts on Lines 18 through 23.
- Line 25** If Line 24 is smaller than Line 17, subtract Line 24 from Line 17. **This is the amount of tax you owe.**
- Line 26** If Line 17 is smaller than Line 24, subtract Line 17 from Line 24. **This is the amount of tax you have overpaid.**
- Line 27** If you would like some or all of your overpayment from Line 26 credited to your estimated taxes for next year, enter the amount in the box.
- Line 28 Adjustments and Voluntary Contributions** If you reported any adjustments or voluntary contributions on Virginia Schedule ADJ, enter the total amount from Line 26 on Schedule ADJ.
- Line 29** Add Line 27 and Line 28.
- Line 30** *If you owe tax on Line 25*, and you reported any adjustments or voluntary contributions which you reported on Virginia Schedule ADJ, add Lines 25 and 29 and enter the total.

**-OR-**

*If you overpaid your taxes on Line 26*, but you credited all or part of the overpayment to next year's estimated tax, and/or had adjustments or voluntary contributions that exceeded your overpayment, and Line 29 is greater than Line 26, subtract Line 26 from Line 29 and enter the difference.

**PAYMENT OPTIONS**

**Web Payments:** Use our Web-site, [www.tax.virginia.gov](http://www.tax.virginia.gov), to make a payment on-line. Payments are electronically transferred from your savings or checking account. There is no fee charged by the Department.

**Check:** Make your check payable to the Treasurer or Director of Finance of the city or county in which you reside. See the inside back cover for a listing of localities. Make sure your Social Security Number is on your check and make a notation that it is your 2006 Virginia income tax payment.

**Credit Card:** Call 1-800-2PAY-TAX, or to pay over the internet, visit [www.officialpayments.com](http://www.officialpayments.com). The jurisdiction code for Virginia is 1080. You will need this number when you arrange for a credit card payment.

If you have already filed your return with your Commissioner of the Revenue and did not fill in the credit card oval, call your local Commissioner of the Revenue's office for the correct jurisdiction code prior to initiating your credit card payment. Phone numbers are listed on the inside back cover.

*The company processing the transaction will assess an additional fee. Prior to payment, you will be informed of the fee and will have the option to cancel the transaction at that time with no charge. After you complete the transaction be sure to fill in the oval on Line 30 indicating that you have arranged for a credit card payment.*



**Line 31** If Line 26 is greater than Line 29, enter the difference in the box. **This is your refund.**

**Direct Deposit - Get your refund faster!** Have your refund deposited directly into your bank account. Fill in the oval to indicate whether the account number is for a checking or savings account.

**Bank Routing Number:** Enter your bank's nine-digit routing transit number printed on the bottom of your check. The first two digits of the routing number must be 01 through 12 or 21 through 32. *Do not use a deposit slip to verify the number. It may contain internal routing numbers that are not part of the actual routing number.*

**Bank Account number:** Enter your bank account number up to 17 digits. Do not enter hyphens, spaces or special symbols. Enter the number from left to right and leave any unused boxes blank. Do not include the check number.

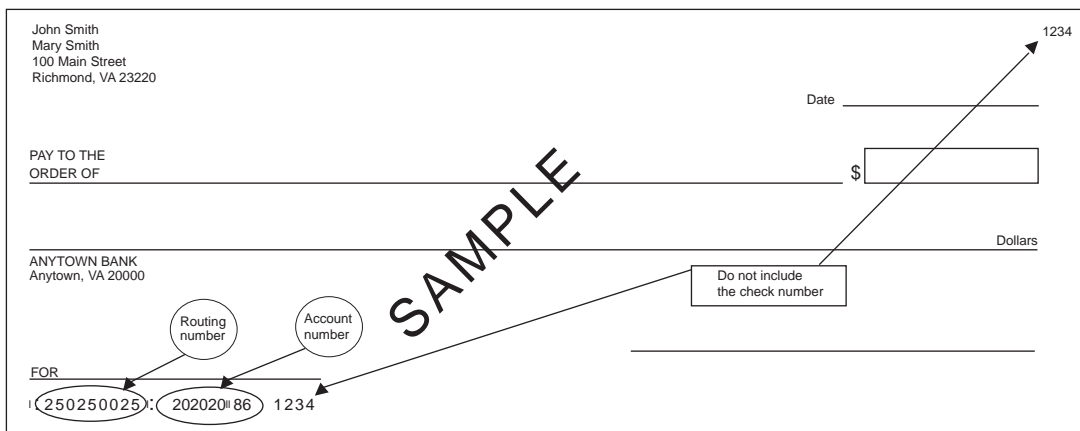
If you prefer to have your check mailed to you, simply leave the direct deposit information blank.



For a faster refund use Direct Deposit.

**Notice:**

Virginia law requires the Department of Taxation to check for any outstanding debt with Virginia agencies, courts, localities, and the IRS. If any debt is found, all or part of your refund may be withheld to help satisfy the debt.



**Note:** The routing and account numbers may appear in different places on your check

**Fill in all ovals that apply**

- Qualifying farmer, fisherman or merchant seaman.
  - Federal Schedule C filed with your federal return.
  - Coalfield credit earned.
  - Overseas on due date. If you were overseas on May 1, 2007, fill in this oval and attach a statement explaining your situation. Your return is due **by July 2, 2007.**
  - Earned Income Credit claimed on your federal return. If you claimed an Earned Income Credit on your federal return, fill in the oval and enter the amount of the federal credit claimed.
  - Primary taxpayer deceased.
  - Spouse deceased.
- } Include SSN for each spouse and only the surviving spouse's name on the first page of this return.

**Signature(s)**

Be sure to sign and date your return. If filing jointly, both spouses must sign the return. In so doing, you agree that filing jointly on this return makes you jointly and severally liable for the tax due and any refunds will be paid jointly. Include your daytime and evening phone numbers in the spaces provided.

- I authorize the Dept. of Taxation to discuss my return with my preparer. Fill in the oval to authorize the Department of Taxation to discuss your return information with your tax preparer.

**Tax Preparer Information**

Tax preparers who prepared 200 or more individual income tax returns for a taxable year that began on January 1, 2003, or 100 or more individual income tax returns for a taxable year that began on or after January 1, 2004, are required, for every taxable year thereafter, to file all individual income tax returns using electronic means or software that produces a two dimensional barcode using 2D technology.

An "income tax return preparer" means a person who prepares, or employs one or more individuals to prepare, an income tax return for compensation. An income tax return preparer does not include volunteers who prepare tax returns for the elderly or poor as part of a nonprofit organization's program.

Tax preparers may request a hardship waiver to these filing requirements by completing and submitting Form 8454P. In addition, taxpayers who use a tax preparer subject to these filing requirements may Opt Out of filing by electronic medium or software that produces a 2D barcode by completing Form 8454T. For additional information, visit our Web-site at [www.tax.virginia.gov](http://www.tax.virginia.gov).

For returns completed by a paid tax preparer, the tax preparer is required to complete the fields located at the bottom of Page 2, Form 760.

**INSTRUCTIONS FOR VIRGINIA SCHEDULE ADJ**

**FIXED DATE CONFORMITY UPDATE FOR 2006**

Virginia's date of conformity with the Internal Revenue Code was advanced from January 7, 2005, to December 31, 2005. The special 30% and 50% bonus depreciation allowance for certain assets under the IRC and the 5-year net operating loss (NOL) carry back allowed for net operating losses generated in taxable year 2001 or 2002 are still not allowed.

At the time these instructions went to print, the only required adjustments for "fixed date conformity" were the two mentioned above. However, if federal legislation has been enacted that results in changes to the Internal Revenue Code for the 2006 taxable year, taxpayers will be required to make adjustments to their Virginia returns that are not described in the instruction booklet. Information about any such adjustments will be posted on the Department's Web-site at [www.tax.virginia.gov](http://www.tax.virginia.gov).

**Additions to Income**

Enter your name in the box in the top left corner of Schedule ADJ (both names if filing jointly) and the Social Security Number of the primary taxpayer as shown on your Virginia Individual Income Tax Return.

**Line 1 Interest on obligations of other states** Enter the amount of any interest on obligations of other states not included in your Federal Adjusted Gross Income, which is taxable in Virginia, less related expenses.

**Line 2 Other additions to Federal Adjusted Gross Income**

**Line 2a Special Fixed Date Conformity Addition**

**A. Bonus Depreciation** If depreciation was included in the computation of your Federal Adjusted Gross Income and one or more of the depreciable assets received the special 30% or 50% bonus depreciation deduction for federal purposes in any year from 2001 through 2006 inclusive, then depreciation must be recomputed for Virginia purposes as if such assets did not receive the special 30% or 50% bonus depreciation deduction for federal purposes in any year from 2001 through 2006 inclusive. If the total 2006 Virginia depreciation is less than 2006 federal depreciation, then the difference must be recognized as an addition on your Virginia return.

Enter the amount that should be added to federal adjusted gross income based upon the recomputation of allowable depreciation..... **A.** \_\_\_\_\_

**B. Other Fixed Date Conformity Additions** If you are required to make any Other Fixed Date Conformity additions, enter the total amount of such additions on this line. Also, please attach a schedule and explanation of such additions.

Enter any other Fixed Date Conformity additions here. .... **B.** \_\_\_\_\_

**C. Enter the total of Lines A and B above and on Schedule ADJ, Line 2a** ..... **C.** \_\_\_\_\_

**Lines 2b - 2c Other Additions**

On Lines 2b - 2c, enter the two digit code listed below, followed by the amount, for any additions to federal adjusted gross income in the categories listed below. **If you have more than two additions on Lines 2b-2c of Schedule ADJ, enter the code "00" and the total addition amount on 2b and attach an explanation of each addition to your return.**

CODE

**10 Interest on federally exempt U.S. obligations** Enter the amount of interest or dividends exempt from federal income tax, but taxable in Virginia, less related expenses.

**11 Accumulation distribution income** Enter the taxable income used to compute the partial tax on an accumulated distribution as reported on federal Form 4970.

**12 Lump-sum distribution income** If you received a lump-sum distribution from a qualified retirement plan and elected a ten-year averaging method using federal Form 4972, complete the table below:

Enter the total amount of distribution subject to federal tax. (ordinary income and capital gain)	1. _____
Enter the total federal minimum distribution allowance, federal death benefit exclusion and federal estate tax exclusion.	2. _____
Subtract Line 2 from Line 1. Enter this amount on Line 2b or 2c of your Virginia Schedule ADJ.	3. _____

**99 Other** Enter the amount of any other income not included in federal adjusted gross income, which is taxable in Virginia. Attach an explanation of the addition.

**Line 3 Total Additions** Add Lines 1 through 2c and enter the total in the box. Enter this amount on Line 2 of Virginia Form 760.

## Subtractions from Income

**Line 4 Obligations of the U.S.** Enter the amount of any income from obligations of the U.S. that are included in your federal adjusted gross income, but are exempt from Virginia state tax.

**Income from obligations issued by the following organizations IS NOT taxable in Virginia:**

Tennessee Valley Authority	Federal Land Bank
Federal Deposit Insurance Corporation	Federal Reserve Stock
Federal Home Loan Bank	Farm Credit Bank
Federal Intermediate Credit Bank	Export-Import Bank of the U.S.
Governments of Guam, Puerto Rico & Virgin Islands	U.S. Postal Service
U.S. Treasury bills, notes, bonds and savings bonds	Resolution Trust Corporation

**Income from obligations issued by the following organizations IS taxable in Virginia:**

Federal Home Loan Mortgage Corp., Federal National Mortgage Association, Government National Mortgage Association, Inter-American Development Bank, and International Bank for Reconstruction and Development.

**Line 5 Disability Income** Enter the amount of disability income reported as wages (or payments in lieu of wages) on your federal return for **permanent and total disability**. On joint returns, each spouse can qualify for the deduction. Individuals can subtract up to \$20,000 of disability income as defined under Internal Revenue Code Section 22(c)(2)(b)(iii).

A taxpayer cannot claim an age deduction on Line 4 of Form 760 and a subtraction for disability income. Claim the one that benefits you the most. For married taxpayers filing a joint return, each taxpayer may claim, if applicable, an age deduction or a subtraction for disability income. Fill in the oval to indicate which taxpayer is claiming the disability income subtraction.

**Line 6 Other subtractions from federal adjusted gross income**

**Line 6a - Special Fixed Date Conformity Subtraction**

**A. Bonus Depreciation** If depreciation was included in the computation of your Federal Taxable Income and one or more of the depreciable assets received the special 30% or 50% bonus depreciation deduction for federal purposes in any year from 2001 through 2006 inclusive, then depreciation must be recomputed for Virginia purposes as if such assets did not receive the special 30% or 50% bonus depreciation deduction for federal purposes in any year from 2001 through 2006 inclusive. If the total 2006 Virginia depreciation is more than 2006 federal depreciation, then the difference must be recognized as a subtraction.

Enter the amount that should be subtracted from federal taxable income based upon the recomputation of allowable depreciation. .... **A.** \_\_\_\_\_

**B. Other Fixed Date Conformity Subtractions** If you are required to make any Other Fixed Date Conformity additions, enter the total amount of such additions on this line. Also, attach a schedule and explanation of such subtractions.

Enter total amount of such subtractions here. .... **B.** \_\_\_\_\_

**C.** Add Lines A and B. Enter here and on Schedule ADJ, Line 6(a) ..... **C.** \_\_\_\_\_

**Lines 6b - 6d Other subtractions** On Lines 6b-6d, enter the two-digit code, listed in the following table, in the boxes on Schedule ADJ, followed by the amount, for any subtractions from federal adjusted gross income in the categories listed below.

**Other Subtractions for Lines 6b - 6d**

*If you have more than three subtractions on Lines 6b-6d of Schedule ADJ, enter the code "00" and the amount of total subtractions in the first box and attach an explanation of each subtraction to your return.*

CODE

20

**Income from Virginia Obligations** Enter the amount of income from Virginia obligations that you included in your federal adjusted gross income.

21

**Federal Work Opportunity Tax Credit Wages** - Enter the amount of wages or salaries eligible for the federal work opportunity tax credit that you included in your federal adjusted gross income. Do not enter the federal credit amount.

22

**Tier 2 and Other Railroad Retirement and Railroad Unemployment Benefits** - Enter the amount of Tier 2 vested dual benefits and other Railroad Retirement Act benefits and Railroad Unemployment Insurance Act benefits included in federal adjusted gross income and reported on your federal return as a taxable pension or annuity.

23

**Charitable Mileage** - Enter the difference between 18 cents per mile and the charitable mileage deduction per mile allowed on federal Schedule A. If you used actual expenses for the charitable mileage deduction, and those expenses were less than 18 cents per mile, then you may use the difference between actual expenses and 18 cents per mile.

24

**Virginia Lottery Prizes** - Enter the sum of all prizes under \$600 awarded to you by the Virginia Lottery Department to the extent that you included them in your federal adjusted gross income.

25

**Foster Care Subtraction** - Foster parents may claim a subtraction of \$1,000 for each child residing in their home under permanent foster care, as defined in 63.1-195 et seq. of the *Code of Virginia*, providing they claim the foster child as a dependent on their federal and Virginia income tax returns.

28

**Virginia National Guard Income** - Enter the amount of wages or salaries for active and inactive service in the National Guard of the Commonwealth of Virginia for persons of rank O3 and below included in federal adjusted gross income. This amount may not exceed the amount of income received for 39 days or \$3,000, whichever is less. Reminder: This subtraction does not apply to members of the active or reserve units of the Army, Navy, Air Force or Marines, or the National Guard of other states or the District of Columbia. If you claim this subtraction, you cannot claim a credit for Low Income Individuals.

29

**Operation Joint Endeavor Combat Pay** - Enter the amount of combat pay for service in support of Operation Joint Endeavor that was included in federal adjusted gross income.

30

**Military Pay and Allowances Attributable to Active Duty Service in a Combat Zone or a Qualified Hazardous Duty Area** - Enter any military pay and allowances earned while serving by the order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area treated as a combat zone for federal tax purposes pursuant to Section 112 of the Internal Revenue Code that has not been otherwise subtracted, deducted or exempted from federal adjusted gross income.

31

**Retirement Plan Income Previously Taxed by Another State** - Enter the amount of retirement income received during the taxable year on which the contributions were taxed in another state, but were deductible from federal adjusted gross income during the same period. The total amount of this subtraction cannot exceed the amount of the contributions **previously taxed by another state**, usually in a previous year.

32

**Bone Marrow Screening Fee** - Enter the amount of the fee paid for an initial screening to become a possible bone marrow donor, provided you were not reimbursed for the fee and did not claim a deduction for the fee on your federal return.

33

**Virginia College Savings Plan Prepaid Tuition Contract Payments and Savings Account Contributions** - If you are under age 70, enter the lesser of \$2,000 or the amount paid during the taxable year for each prepaid tuition contract or a savings trust account entered into with The Virginia College Savings Plan (previously called the Virginia Higher Education Tuition Trust Fund). If you paid more than \$2,000 per contract or account during the year, you may carry forward any undeducted amounts until the purchase price has been fully deducted. If you are age 70 or older, you may subtract the entire amount paid to The Virginia College Savings Plan during the year.

34

**Virginia College Savings Plan Income Distribution or Refund** - Enter the amount of any income included in federal adjusted gross income that is attributable to a distribution of benefits or a refund from the Virginia College Savings Plan (previously called the Virginia Higher Education Tuition Trust Fund), in the event of a beneficiary's death, disability or receipt of scholarship.

35

**Continuing Teacher Education** - A licensed primary or secondary school teacher may enter a subtraction equal to twenty percent of unreimbursed tuition costs incurred to attend continuing teacher education courses that are required as a condition of employment, provided these expenses were not deducted from federal adjusted gross income.

36

**Long-Term Health Care Premiums** - Enter the amount of premiums paid for long-term health care insurance, provided they have not been deducted for federal income tax purposes and you have not claimed the Virginia Long-Term Care Insurance Credit.

37

**Unemployment Compensation Benefits** - Enter the amount of unemployment compensation benefits received during the taxable year reported as income on your federal income tax return.

38

**Basic Military Pay** - Each taxpayer who qualifies as military personnel stationed inside or outside Virginia can subtract up to \$15,000 of military basic pay received during the taxable year, provided the taxpayer is on extended active duty for more than 90 days. For every \$1.00 of income over \$15,000, the maximum subtraction is reduced by \$1.00. If your basic military pay is \$30,000 or more, you are not entitled to a subtraction. On joint returns, each spouse can qualify for the subtraction. If you claim this subtraction, you cannot claim a credit for Low Income Individuals.

39

**Federal and State Employees** - Any individual who qualifies as a federal or state employee earning \$15,000 or less in annual salary from all employment can subtract up to \$15,000 of the salary from that state or federal job. If both spouses on a joint return qualify, each spouse may claim the subtraction. The subtraction cannot exceed the actual salary received. If you claim this subtraction, you cannot claim a credit for Low Income Individuals.

40

**Income Received by Holocaust Victims** - To the extent included in your federal adjusted gross income, subtract any income resulting from the return or replacement of assets stolen during the Holocaust and throughout the time period leading up to, during, and directly after World War II as a result of: Nazi persecution, individual being forced into labor against his or her will, transactions with or actions of the Nazi regime, treatment of refugees fleeing Nazi persecution, or holding of such assets by entities or persons in the Swiss Confederation.

41

**Payments Made under the Tobacco Settlement** - Enter the amount of payments received under the Tobacco Master Settlement Agreement, the National Tobacco Grower Settlement Trust, and the Tobacco Loss Assistance Program, provided they have not been deducted for federal tax purposes.

42

**Gain on the Sale of Land for Open Space Use** - Enter the amount of any gain on the sale or exchange of real property or easement to real property which results in the property or easement being devoted to open-space use as defined in Section 58.1-3230 for a period not less than 30 years.

43

**Virginia Public School Construction Grants Program and Fund** - Enter the amount of total contributions to the Virginia Public School Construction Grants Program and Fund, provided you have not claimed a deduction for this amount on your federal income tax return.

44

**Congressional Medal of Honor Recipients** - Enter the amount of military retirement income you received as an individual awarded the Medal of Honor.

45

**Avian Influenza** - An individual income tax subtraction is available for indemnification payments received by qualified contract poultry growers and table egg producers as a result of the depopulation of poultry flocks because of avian influenza in 2002. Indemnification payments made to owners of poultry who contract with poultry growers do not qualify for this subtraction.

46

**Military Death Gratuity Payments** - Enter the amount of military death gratuity payments made after September 11, 2001 to survivors of military personnel killed in the line of duty. This subtraction must be reduced by the amount that is allowed as an exclusion from federal gross income on the survivor's federal income tax return.

47

**Peanut Quota Buyout** - Allows a subtraction from taxable income for individuals and corporations who receive payments in accordance with the Peanut Quota Buyout Program of the Farm Security and Rural Investment Act of 2002. If the taxpayer chose to accept payment in installments, the gain from the 2004 installment may be subtracted. However, if the taxpayer previously opted to receive a single payment, 20% of the gain recognized in the year that the payment was received may be subtracted for this year and for each succeeding taxable year until 100% has been subtracted.

48

**Tobacco Quota Buyout** - Allows a subtraction from taxable income for payments received in the preceding year in accordance with the Tobacco Quota Buyout Program of the American Jobs Creation Act of 2004 to the extent included in federal adjusted gross income. For example, on your 2006 Virginia return you may subtract the portion of such payments received in 2005 that is included in your 2005 federal adjusted gross income; while payments received in 2006 may generate a subtraction on your 2007 Virginia return. Individuals cannot claim a subtraction for a payment that has been, or will be, subtracted by a corporation unless the subtraction is shown on a schedule VK-1 you received from an S Corporation. If you chose to accept payment in installments, the gain from the installment received in the preceding year may be subtracted. If, however, you opted to receive a single payment, 10% of the gain recognized for federal purposes in the year that the payment was received may be subtracted in the following year and in each of the nine succeeding taxable years.

99

**Other** - Attach an explanation for other subtractions.

**Line 7 Total Subtractions** Add Lines 4 through 6d. Enter the sum in the box to the right **and** on Line 7 of Form 760.



**Tax Credit for Low Income Individuals or Virginia Earned Income Credit**

You may be eligible to claim a credit for low income if your family Virginia adjusted gross income (family VAGI) is equal to or less than the federal poverty guidelines and you meet the Eligibility Requirements. You are eligible for the Virginia Earned Income Credit if you claimed an earned income credit on your federal return. Claim the credit that benefits you most. You cannot claim both credits, however. Please complete the entire section.

**Eligibility Requirements:** The credit for low income or Virginia Earned Income Credit may **NOT** be claimed if you, your spouse, or any dependents claimed on your return or on your spouse's return claim any of the following:

**Before claiming the credit, make sure you are eligible!**



- Age deduction
- Exemption for taxpayers who are blind or age 65 and over
- Virginia National Guard subtraction (see Subtraction Code 28)
- Basic Military pay subtraction (see Subtraction Code 38)
- Federal & State employee subtraction (see Subtraction Code 39) **OR**
- You are claimed as a dependent on another taxpayer's return.

**Line 8 Compute your Family VAGI**

Enter your Social Security Number, name, and Virginia adjusted gross income (VAGI) from Line 9, Form 760. For all married taxpayers, enter your spouse's Social Security Number and name and then follow the instructions below for your filing status:

- **Filing Status 2, Married Filing Jointly:** If you entered the joint VAGI for both you and your spouse exactly as shown on Line 9, Form 760, of your joint return, you do not need to enter a separate VAGI for your spouse. If you entered only your portion of the VAGI from Line 9, Form 760, then enter your spouse's VAGI on your spouse's line. The sum of your VAGI and your spouse's VAGI should equal the joint VAGI on Line 9, Form 760.
- **Filing Status 3, Married Filing Separately:** To claim the credit, you are required to provide your spouse's VAGI. If your spouse is:
  - Filing a separate Virginia Form 760, enter the VAGI on Line 9, Form 760, from your spouse's return. Only one spouse may claim the credit for low income.
  - Not required to file a Virginia Form 760 (for example, if your spouse is a nonresident), compute your spouse's VAGI as if your spouse is required to file a Virginia Form 760 resident return and enter on your spouse's line.

Enter the Social Security Number and name of each dependent claimed as an exemption on your return and, if any of your dependents had income, enter the VAGI for each dependent. **For Filing Status 3, Married Filing Separately**, also enter the Social Security Number and name for each of your dependents not claimed as an exemption on your return and, if any of the dependents had income, enter the VAGI for each dependent.

**Line 8:** Add the VAGI amounts and enter the total. **This is your family VAGI.**

**Line 9 Determine if you Qualify for the Credit for Low Income Individuals:** Enter the number of family members listed in Line 8. If your family VAGI on Line 8 is equal to or less than the federal poverty amount for your family size, you are eligible to claim the credit for low income individuals.

Eligible Exemptions	Poverty Guideline	Eligible Exemptions	Poverty Guidelines
1	\$ 9,800	5	\$ 23,400
2	13,200	6	26,800
3	16,600	7	30,200
4	20,000	8*	33,600

\*For each additional person, spouse and dependent exemption, add \$3,400 to the poverty amount.

**Line 10 Exemptions to Compute Credit:** If you qualify for the credit for low income individuals, enter the number of personal exemptions you reported on your Form 760.

**Line 11:** Multiply Line 10 by \$300. Enter the result on Line 11. and proceed to Line 11a. If you do not qualify for the Tax Credit for Low Income Individuals but claimed an Earned Income Credit on your federal return, enter \$0 on Line 11 and proceed to Line 11a.

**Line 11a:** Enter the amount of Earned Income Credit claimed on your federal return. If you did not claim an Earned Income Credit on your federal return enter \$0.

**Line 11b:** Multiply the amount on Line 11a by 20% (.20).

**Line 11c:** Enter the greater of Line 11 or Line 11b.

**Line 12 Compute your Credit:** Compare the amount entered on Line 11c, Schedule ADJ, to your tax liability on Line 17, Form 760. Enter the smaller amount on Line 12, Schedule ADJ, and on Line 21, Form 760.

**The credit for low income or Virginia earned income is a nonrefundable credit. A nonrefundable credit cannot exceed your tax liability. If you claim any credits on Lines 22 or 23, Form 760, in addition to the low income or Virginia earned income credit, the sum of all nonrefundable credits claimed cannot exceed your tax liability on Line 17, Form 760.**

*Many low income individuals who work and have earned income under \$38,348 may also qualify for the Federal Earned Income Credit when filing their federal tax return! See your Federal instructions or call 1-800-829-3676 to order Pub 596.*

## Credit for Tax Paid to Another State

Generally, Virginia will allow taxpayers filing resident individual income tax returns to claim credit for income tax paid as a nonresident to another state on earned or business income derived from sources outside Virginia or any gain (if included in federal adjusted gross income) on the sale of a capital asset outside Virginia, provided the income is taxed by Virginia as well as the other state. See Virginia Code Section 58.1-332 for information on capital assets. *If the income is from Arizona, District of Columbia, California or Oregon, claim the credit on the nonresident income tax return of that state instead of on the Virginia return.* Attach a complete copy of the other state's return(s) to Form 760. If you have more than **one** credit for tax paid to another state, compute **all** credits on Schedule OSC and enter the total credit claimed on Line 22 of Form 760. The credit must be computed separately for each state. Schedule OSC is available on our Web-site at [www.tax.virginia.gov](http://www.tax.virginia.gov) or by calling (804) 440-2541.

**Border State Method** You may qualify for a special computation if you are required to file a return with Virginia and **only one** other state provided that other state is Kentucky, Maryland, North Carolina or West Virginia. The income from the border state must consist solely of wages and salaries or business income from federal Schedule C, and your Virginia taxable income must be at least equal to the taxable income shown on the other state's return. If you meet all of these qualifications, fill in the border state oval and enter "100.0" in the Income Percentage field.

**Line 13a Filing Status** Enter the number listed below to identify the filing status claimed on the other state's tax return.    1. Single    2. Married Filing Jointly    3. Married Filing Separately    4. Other

**Line 13b Claiming Credit** Enter the number listed below to identify the person claiming the credit.  
1. You    2. Spouse    3. You and Spouse

**Line 13 Qualifying Taxable Income** Enter the total taxable income from all of the following categories that apply to you to the extent that this income was taxed by the other state:

- Earned or business income derived from sources outside Virginia that is subject to tax by Virginia as well as another state;
- Gain from the sale of a principal residence outside Virginia that was included in federal adjusted gross income;
- Gain from the sale of any capital asset not used in a trade or business.
- Income on which Corporation income tax was paid to another state (one that does not recognize the federal S corporation election), by an individual shareholder of an S corporation. Attach a statement from the S corporation.

In some states, the tax is computed on total taxable income (from all sources) and then reduced by an allocation percentage. In these cases, you must multiply the total taxable income shown on the other state's return by the allocation percentage to determine the amount of income to enter on this line.

**Line 14 Virginia Taxable Income** Enter the amount of Virginia taxable income from Line 14 of Virginia Form 760. *If you filed separately in the other state, but are filing jointly in Virginia, enter only the Virginia taxable income attributable to the filer whose income was taxed by the other state.*

**Line 15 Qualifying Tax Liability** Enter the abbreviation of the other state in the space provided. Enter the amount of tax liability reflected on the return you filed with the other state.

**Line 16 Virginia Income Tax** Enter the amount of Virginia income tax from Line 17 of Virginia Form 760. *If you filed separately in the other state, but are filing jointly in Virginia, enter the Virginia income tax due on the amount of Virginia Taxable Income reported on Line 14. Use the tax tables or the tax rate schedule to determine the amount of tax.*

**Line 17 Income Percentage** Divide the amount of Qualifying Taxable Income by the Virginia Taxable Income. Round the number to one decimal place. The income percentage cannot exceed 100%.

**Line 18 Virginia Ratio** Multiply the amount of Virginia income tax by the income percentage.

**Line 19 Credit** Enter the lesser of qualifying tax liability or Virginia ratio. Enter the total credit claimed on Line 22 of Form 760.

Note: The sum of all nonrefundable credits claimed cannot exceed your tax liability as shown on Line 17 of Form 760. Nonrefundable credits include the Tax Credit for Low Income Individuals and Credit for Tax Paid to Another State.

## Adjustments to the Amount of Tax



Use Form 760C to compute any addition to tax you may owe for underpayment of estimated taxes. Use Form 760F if at least 66 2/3% of your income is derived from farming, fishing and/or being a merchant seaman.

**Line 20 Addition to tax**

You will not owe an addition to tax if each payment is made on time and:

- you owe \$150 or less in tax with your return
- total withholding and timely estimated payments were at least 90% (66 2/3% for farmers, fishermen and merchant seamen) of your 2006 tax liability after nonrefundable credits **or** 100% of your 2005 tax liability after nonrefundable credits.

If you do not meet the criteria shown above, visit [www.tax.virginia.gov](http://www.tax.virginia.gov) or refer to Form 760C or Form 760F. If you need to complete Form 760C or 760F, enter the amount of the addition to tax on this line. Those who file 760C should fill in the oval.

**Line 21 Penalty**

**Late filing penalty:** If you do not file your tax due return by the due date or extended due date, you will owe a late filing penalty. The penalty is 6% of the tax due for each month or part of a month that the return is late, but not more than 30%.

**Late payment penalty:** If you do not pay your tax due by the due date, you will owe a late payment penalty. The penalty is 6% of the tax due for each month or part of a month that the payment is late, but not more than 30%. For any month that the late filing penalty applies, the late payment penalty will not apply. The total of late filing penalty and late payment penalty cannot be more than 30% of the tax due.

NOTE: If you file your return after the extended due date, your extension will be void and you will owe the late filing penalty. If you file your return by the extended due date, but do not pay the tax in full, a late payment penalty will accrue on the balance of tax due. Interest accrues on any balance of tax owed with a return filed on extension, regardless of whether the balance exceeds 10% of the tax.

**Extension penalty:** If you file your return by the extended due date, and the tax due is greater than 10% of your total tax liability, you will owe an extension penalty. The penalty is 2% per month or part of a month from the original due date of the return until the return is filed. The extension penalty cannot exceed 12% of the tax due.

**Computation of Late Filing/Payment or Extension Penalty**

Enter the amount from Line 25 of Virginia Form 760 a. \_\_\_\_\_

Enter the number of months that the return is late b. \_\_\_\_\_

For late filing/payment penalty, multiply Line b by 6% (.06) and enter the result up to 30% c. \_\_\_\_\_

For extension penalty, multiply Line b by 2% (.02) and enter the result up to 12% d. \_\_\_\_\_

Multiply the amount on Line (a) by the percentage on Line (c) or Line (d). Enter here and on Line 21 of Sch. ADJ. Fill in the oval to indicate late filing/payment penalty or extension penalty. e. \_\_\_\_\_

**Line 22 Interest** If you filed a tax due return after the filing date, even if you had an extension, you are liable for interest on the tax due amount on Form 760, Line 25, from the due date to the date filed or postmarked. To obtain the daily interest factor, please call (804) 367-8031 or contact your locality.

**Line 23 Consumer's Use Tax** You will need to pay Consumer's Use Tax if, during the year, you purchased:

- merchandise by telephone, Internet, or television and no sales tax was charged
- merchandise while outside of Virginia and paid no sales tax
- more than \$100 in merchandise by mail and no sales tax was charged

The tax is 5% of the total price except for food purchased for home consumption. The tax rate on food purchased for home consumption 2.5%.

Enter the amount of Consumer Use Tax you owe on Line 23 of Virginia Schedule ADJ, or file Form CU-7.



Nonprescription drugs and proprietary medicines purchased for the treatment or prevention of diseases in humans are exempt from consumer use tax.

## Voluntary Contributions

**Donate to the General Fund** by writing a check to the State Treasurer and designating it as a donation to the Commonwealth's General Fund. You must attach your payment to Form GFD. Visit [www.tax.virginia.gov](http://www.tax.virginia.gov) or call (804) 367-8031 to obtain this form.



You can make a contribution directly to any of the organizations listed here. For more information about these groups, including how you can make a contribution, see Page 26.

**Line 24 Voluntary Contributions to be made from your refund.** You may voluntarily donate all or part of your tax refund to one or more qualifying organizations. Enter the contribution code(s) and amount(s) you are donating in the boxes. If you are donating to more than 2 qualifying organizations, enter the code "00" in the first box and the total amount of all donations. Attach a separate page indicating the amount you wish to contribute to each organization. Contribution codes:

- |   |   |
|---|---|
| <b>60</b> Virginia Non-game Wildlife Program        | <b>78</b> Children of America Finding Hope                                |
| <b>61</b> Democratic Political Party                | <b>82</b> VA War Memorial Foundation & National D-Day Memorial Foundation |
| <b>62</b> Republican Political Party                | <b>83</b> Virginia Commission for the Arts                                |
| <b>63</b> U.S. Olympic Committee                    | <b>84</b> Virginia Federation of Humane Societies                         |
| <b>64</b> Virginia Housing Program                  | <b>85</b> Tuition Assistance Grant Fund                                   |
| <b>65</b> Elderly & Disabled Transportation Fund    | <b>86</b> Spay and Neuter Fund  |
| <b>66</b> Community Policing Fund                   | <b>87</b> Governor's Office of Commonwealth Preparedness                  |
| <b>67</b> Virginia Arts Foundation                  | <b>88</b> Cancer Centers in the Commonwealth                              |
| <b>68</b> Open Space Recreation & Conservation Fund | <b>89</b> Brown v. Board of Education Scholarship Program Fund            |
| <b>76</b> Historic Resources Fund                   |   |

**Line 25 Voluntary Contributions to be made from your refund OR tax payment.** You may make a payment to the following organizations even if you owe a tax balance or if you wish to donate more than your expected refund. If you are donating to more than 2 organizations, enter the code "00" in the first box and enter the total amount of all donations. Attach a separate page indicating the amount you wish to contribute to each organization. Lines 25c-25d are for donations to Public School Foundations. If you want to donate to more than 2 school foundations, enter "999999" and the total amount donated to school foundations on 25c, and attach a schedule showing the amount donated to each foundation.

- |   |   |
|---|---|
| <b>71</b> Chesapeake Bay Restoration Fund       | <b>74</b> VA's Uninsured Medical Catastrophe Fund |
| <b>72</b> Family & Children's Trust Fund (FACT) | <b>75</b> Jamestown-Yorktown Foundation           |
| <b>73</b> Virginia's State Forests Fund         | <b>81</b> Home Energy Assistance                  |

\*Public School Foundations - enter 6 digit code found on Page 28

**Line 26 Total adjustments** Enter the total of Lines 20 - 25. Enter this amount on Line 28 of Form 760.

## Amended Returns



Remember to fill in the oval on the front of Form 760 to indicate that you are filing an amended return. Refer to Page 6 in the instruction booklet for further information on filing amended returns.

- Line 27 Amount paid** Enter the amount of tax paid with your original return and any additional tax payment you made after filing the return. Do not include penalty, addition to tax from Form 760C or 760F, or interest payments.
- Line 28 Total payments and credits** Add Line 27 above and any other payments and credits from Line 24 of Virginia Form 760.
- Line 29 Overpayments** Enter the amount of any overpayment from Line 26 on your original Form 760 filed for tax year 2006. Do not include penalty, addition to tax from Form 760C or 760F, or interest.
- Line 30** Subtract Line 29 from Line 28.
- Line 31 Amount you owe** If the amount of tax you owe on Line 17 of Virginia Form 760 is greater than the amount you paid as shown on Line 30 of Virginia Schedule ADJ, then enter the difference in the box.
- Line 32 Refund Amount** If you paid more than you owe (Line 17 on Virginia Form 760 is less than Line 30 above), subtract Line 17, from Line 30.

## About Virginia Schedule CR

Complete Virginia Schedule CR and attach it to your return, along with any necessary documentation, to claim any credits that do not appear on Virginia Form 760 or Virginia Schedule ADJ. Enter the amount from Line 116 of Schedule CR on Line 23 of Virginia Form 760. Required attachments for each credit are listed on Page 6 of Schedule CR.

The credits that can be claimed against individual income tax and are reported on Virginia Schedule CR are listed below. For more information, call **(804) 367-2486**. Or you can visit our Web-site at **www.tax.virginia.gov**.

- Trust Beneficiary Accumulation Distribution
- Enterprise Zone Act\*
- Neighborhood Assistance Act\*
- Recyclable Materials Processing Equipment\*
- Conservation Tillage Equipment
- Fertilizer and Pesticide Application Equipment\*
- Rent Reduction Program\*
- Clean-Fuel Vehicle, Vehicle Emissions Testing Equipment\*
- Major Business Facility Job\*
- Foreign Source Retirement Income
- Historic Rehabilitation\*
- Day-Care Facility Investment \*
- Low Income Housing\*
- Agricultural Best Management Practices\*
- Qualified Equity and Subordinated Debt Investments\*
- Worker Retraining\*
- Waste Motor Oil Burning Equipment\*
- Home Accessibility Features for the Disabled\*
- Riparian Waterway Buffer\*
- Land Preservation\*
- Political Contributions
- Coalfield Employment Enhancement (make sure to fill in the oval on Page 2 of your Form 760 if you are taking this credit)
- Long Term Care Insurance

\* This credit requires prior authorization. See Schedule CR for more information.

## Voluntary Contributions



You may contribute to these organizations with your return or send your contributions directly to the organizations at the addresses provided. Following is a brief description of the services provided by the organizations eligible for voluntary contributions.

### CODE

**60**

**Virginia Nongame & Endangered Wildlife Program** Manages nongame wildlife species and communities, including state or federally endangered or threatened species.

Department of Game & Inland Fisheries  
Nongame & Endangered Wildlife Program  
P.O. Box 11104  
Richmond, VA 23230-1104  
(804) 367-6913

**61 & 62**

**Political Party** Each taxpayer may contribute up to \$25 to one of the following qualified parties: Democratic Party (code 61) or Republican Party (code 62).

**63**

**U.S. Olympic Committee** Help U. S. athletes realize their dreams of representing our country at the Olympic or Paralympic Games. By contributing all or a portion of your Virginia tax refund, you will support Olympic and Paralympic hopefuls with the coaching, equipment, travel, and sports science necessary to compete with the world's best athletes on the international field of play. America doesn't send its athletes to the Olympic Games, Americans do. Direct donations are payable to the USOC by check, credit card or money order.

U. S. Olympic Committee, Development Office,  
1 Olympic Plaza,  
Colorado Springs, CO 80909-5760.  
Visit [www.usolympicteam.com](http://www.usolympicteam.com).

**64**

**Virginia Housing Program** Supports locally-based organizations providing assistance to housing to low income elderly, persons with mental or physical disabilities, and the homeless in need of emergency, transitional or permanent housing.

Check-Off for Housing Programs  
Department of Housing &  
Community Development  
501 North Second Street  
Richmond, VA 23129-1321  
(804) 371-7100

**65**

**Elderly and Disabled Transportation Fund** Provides transportation to jobs, medical care and other services for elderly or disabled Virginians who cannot drive or use public transportation.

Department for the Aging  
1610 Forest Avenue, Suite 100,  
Richmond, VA 23229  
(804) 662-9333

**66**

**Community Policing Fund** Supports projects and services between law enforcement agencies and their communities that work to build local partnerships and encourage problem-solving relationships.

Department of Criminal Justice Services  
Community Policing Fund  
202 North 9th Street, 10th Floor  
Richmond, VA 23219-1924  
(804) 786-2407

**67**

**Virginia Arts Foundation** Supports local artists, arts groups, and schools in every city and county in Virginia.

Virginia Arts Foundation  
c/o Virginia Commission for the Arts  
223 Governor Street  
Richmond, VA 23219-2010  
[www.arts.virginia.gov](http://www.arts.virginia.gov) or (804) 225-3132

### CODE

**68**

**Open Space Recreation and Conservation Fund** Provides matching recreational grants to localities; acquires natural areas to conserve habitats and protect rare species, and develops and maintains state park facilities.

Department of Conservation & Recreation  
Open Space Recreation & Conservation Fund  
203 Governor Street, Suite 402  
Richmond, VA 23219  
(804) 786-6124

**71**

**Chesapeake Bay Restoration Fund** Supports the cleanup of the Chesapeake Bay and its tributaries.

Secretary of Natural Resources  
1111 E. Broad St, 4W  
Richmond, VA 23219  
(804) 786-0044

**72**

**Family and Children's Trust Fund** Family and Children's Trust Fund Contributions support family violence treatment and prevention of child and elder abuse/neglect, domestic violence, dating violence and suicide prevention in local communities and through statewide public awareness and education activities.

Family and Children's Trust Fund  
7 North Eighth Street  
Richmond, VA 23219  
[familyandchildrens.trustfund@dss.virginia.gov](mailto:familyandchildrens.trustfund@dss.virginia.gov)  
(804) 726-7604  
[www.fact.state.va.us](http://www.fact.state.va.us)

**73**

**Virginia's State Forests Fund** State Forests are managed to sustain multiple natural resources and values [benefits]. Conservation practices protect wetlands, enhance critical wildlife habitat and preserve unique natural areas for biodiversity and provide long-term applied research for restoration and reforestation of native species. Demonstration areas provide private forest landowners with practical, effective solutions to resource management challenges. Recreation opportunities and conservation educational programs are available statewide in all seasons to any age or experience level.

Virginia Department of Forestry  
Attn: State Forest Fund  
900 Natural Resources Drive, Suite 800  
Charlottesville, VA 22903  
(434) 977-6555

**74**

**Virginia's Uninsured Medical Catastrophe Fund** Assists with medical expenses of Virginia residents who face a life-threatening medical catastrophe.

Uninsured Medical Catastrophe Fund  
600 East Broad Street, Suite 1300  
Richmond, VA 23219  
(804) 786-7933

**75**

**Jamestown-Yorktown Foundation (Jamestown 2007)** Contributions support statewide events and activities commemorating Virginia's 400th anniversary in 2007. James 2007 is working to foster business and tourism opportunities throughout the Commonwealth, as well as strengthen national awareness of Virginia's pivotal role in American history.

Jamestown 2007  
410 West Francis Street  
Williamsburg, VA 23185  
(757) 253-4659  
[www.americas400thanniversary.com](http://www.americas400thanniversary.com)

76

**Historic Resources Fund** Supports preservation of historic landmarks and historic preservation projects.  
**Virginia Department of Historic Resources**  
 2801 Kensington Avenue  
 Richmond, VA 23221  
 (804) 367-2323

78

**Children of America Finding Hope Inc.** Uses proven strategies and programs to meet emotional and physical needs of children who are disadvantaged, runaways, in crisis, and delinquent by providing hope in a tangible form regardless of religion, race, gender, or socioeconomic status.

**Children of America Finding Hope Inc.**  
 P.O. Box 926  
 Vansant, VA 24656  
 1-877-700-CAFH (2234) or [www.CAFH.net](http://www.CAFH.net)

81

**Home Energy Assistance Fund** Supports the provision of heating, cooling, energy crisis assistance and weatherization services for low income families.

**Home Energy Assistance Program**  
 7 North Eighth Street, 3<sup>rd</sup> Floor  
 Richmond, VA 23219  
 (804) 726-7368

82

**VA War Memorial Foundation & National D-Day Memorial Foundation** Contributions will be equally divided between these two organizations. The following is a description of the organizations:

**Virginia War Memorial Foundation** The Memorial honors Virginia veterans of World War II, Korea, Vietnam, and the Persian Gulf. On the glass and stone walls of the Memorial's Shrine of Memory, are engraved names of 11, 634 Virginians Killed in Action to keep our nation free. To honor veterans' sacrifices, the Memorial has developed several award-winning educational programs that have been distributed free to all middle and high schools state-wide. All of the Memorial's educational programs are available to visitors.

**Virginia War Memorial**  
 621 South Belvidere Street  
 Richmond, Virginia 23220-6504  
 (804) 786-2060

For more Info Email: [info@vawarmemorial.org](mailto:info@vawarmemorial.org)  
[www.vawarmemorial.org](http://www.vawarmemorial.org)

**National D-Day Memorial Foundation** Exists to honor the valor, fidelity, and sacrifice of the Allied Forces on D-Day, June 6, 1944. It also exists to educate – ensuring that the D-Day legacy remains clear, meaningful, and accessible to present and future generations.

**National D-Day Memorial Foundation**  
 202 East Main Street  
 P. O. Box 77  
 Bedford, VA 24523  
 (800) 351-DDAY \* (540) 586-DDAY  
 Email: [dday@dday.org](mailto:dday@dday.org)  
[www.dday.org](http://www.dday.org)

83

**Virginia Commission for the Arts** Supports local artists, arts groups, and schools in every city and county of Virginia.

**Virginia Commission for the Arts**  
 223 Governor Street  
 Richmond, VA 23219-2010  
[www.arts.virginia.gov](http://www.arts.virginia.gov)

84

**Virginia Federation of Humane Societies** Committed to promoting and improving the welfare of animals in Virginia through counsel, support, and education, and Spay Virginia, a project addressing the overpopulation of companion animals through the development of resources for pet owners with limited income.

**Virginia Federation of Humane Societies, Inc.**  
 826 Oakwood Drive  
 Harrisonburg, VA 22801-3924  
 540-879-3384

85

**Tuition Assistance Grant Fund** State Council of Higher Education for Virginia (SCHEV) Administers the Tuition Assistance Grant (TAG) Program available to Virginia residents enrolled full time in one of 31 Virginia private, non-profit colleges or universities. Contributions support choice and affordability for eligible undergraduate or graduate degree-seeking students enrolled in participating TAG institutions. Students apply at the college financial aid office or visit [www.explorevirginiacolleges.com](http://www.explorevirginiacolleges.com) for details. For more information about SCHEV, please visit [www.schev.edu](http://www.schev.edu).

**State Council of Higher Education for Virginia**  
 101 N. 14th Street,  
 James Monroe Bldg. 10th Floor  
 Richmond, Virginia 23219  
 (804) 225-2600  
[www.schev.edu](http://www.schev.edu)

86

**Spay and Neuter Fund** Contributions will be used in the Fund's mission of providing monetary assistance for spay and neuter surgeries for dogs and cats. All moneys deposited in the Fund shall be administered by the Virginia Federation of Humane Societies, Inc. for this purpose.

**Virginia Federation of Humane Societies, Inc.**  
 826 Oakwood Drive  
 Harrisonburg, VA 22801-3924  
 540-879-3374

87

**Governor's Office of Commonwealth Preparedness** To ensure a safe, secure and prepared Virginia by developing and overseeing a coordinated prevention, preparedness, response and recovery strategy for natural and man-made disasters and emergencies, including terrorist attacks, that encompasses federal, state, local, private entities and the citizens of the Commonwealth.

**Office of Commonwealth Preparedness**  
 1111 East Broad Street, 3rd Floor  
 Richmond, VA 23219  
 (804) 692-2595

[www.commonwealthpreparedness.virginia.gov](http://www.commonwealthpreparedness.virginia.gov)

88

**Virginia Cancer Centers** -Contributions will be equally divided between these two organizations. The following is a description of the organizations:

**University of Virginia Cancer Center** - A resource for the Commonwealth of Virginia and the nation, the University of Virginia Cancer Center is dedicated to developing innovative ways to detect, diagnose, treat, and prevent cancer. While always striving for the best medical outcome, UVa provides compassionate care to cancer patients with a high regard for quality of life, support and comfort. Your gift to the UVa Cancer Center will help us find new cures and make the latest treatment options available for patients.

University of Virginia Cancer Center  
 P.O. Box 800773  
 Charlottesville, VA 22908-0773  
 (434) 924- 8432  
[www.healthsystem.virginia.edu/internet/cancer/](http://www.healthsystem.virginia.edu/internet/cancer/)

**Massey Cancer Center** - As one of 61 National Cancer Institute-designated Cancer Centers, Massey has earned a prestigious designation for scientific research that sets us apart from most other cancer centers.

**Massey Cancer Center**  
**Virginia Commonwealth University**  
 P.O. Box 980037  
 Richmond, Virginia 23298-0037  
 (804)828-1450  
[www.massey.vcu.edu/](http://www.massey.vcu.edu/)

89

**Brown v. Board of Education Scholarship Program Fund** provides scholarships to assist eligible persons denied a public education in Charlottesville, Norfolk, Prince Edward County, and Warren County during Massive Resistance between 1954 and 1964, when public schools in these jurisdictions were closed to avoid desegregation. Eligible Virginians may use awards to obtain (i) an adult high school diploma, (ii) the General Education Development certificate, (iii) College-Level Examination Program (CLEP) credit, (iv) career or technical education or training, or (v) an undergraduate degree from an accredited public or private two-year or four-year Virginia institution of higher education.

**State Council of Higher Education**  
 Attn: Mr. Lee Andes  
 James Monroe Building  
 101 North 14th Street  
 Richmond, VA 23219  
 (804) 225-2600

**Public School Foundations Eligible for Contributions**

To be used by eligible public school foundations established for the express purpose of implementing a public/private partnership to fund public school improvement projects approved by the local school board.

<u>Foundation Code</u>	<u>Foundation Name</u>
003001	Charlottesville-Albemarle Public Education Fund, Inc. (County)
009001	Amherst County Public Schools Education Foundation
013001	Arlington Student Enterprise (County)
015001	Augusta County Public Schools Endowment Fund
019001	Bedford Area Educational Foundation (County)
025001	Brunswick Education Foundation, Inc. (County)
029001	Buckingham County Education Foundation, Inc.
550001	Chesapeake Public Schools -The W. Randolph Nichols Scholarship Foundation (City)
041001	Chesterfield Public Education Foundation, Inc. (County)
043001	Clarke County Education Foundation
193001	Colonial Beach Education Foundation, Inc.
047001	Culpeper Schools Foundation (County)
049001	Cumberland County Public School Foundation, Inc.
057001	Essex First Educational Foundation (County)
590001	Danville Public Schools Education Foundation, Inc. (City)
059001	Fairfax County Education Foundation
610001	Falls Church Education Foundation (City)

<u>Foundation Code</u>	<u>Foundation Name</u>
065001	Fluvanna Education Foundation, Inc. (County)
620001	Franklin City Educational Foundation, Inc.
069001	Frederick County Educational Foundation
071001	Giles County Partnership for Excellence Foundation
073001	Gloucester County Public Schools Educational Foundation, Inc.
081001	Greensville County Education Foundation
650001	Hampton Educational Foundation (City)
085001	Hanover Education Foundation (County)
660001	Harrisonburg Education Foundation (City)
087001	Henrico Education Foundation, Inc. (County)
670001	Hopewell Public School Foundation (City)
093001	Education Foundation for Isle of Wight County Public Schools
678001	Lexington City Schools Fund of Rockbridge Area Community Foundation (RACF)
107001	Loudoun Education Foundation (County)
107002	Loudoun School – Business Partnership (County)
680001	The Lynchburg City Schools Education Foundation
683001	City of Manassas Public Schools Education Foundation
685001	Manassas Park Education Foundation (City)
121001	Montgomery County Education Foundation
125001	Nelson County Education Foundation
127001	New Kent Educational Foundation (County)
700001	Newport News Educational Foundation (City)
710001	Norfolk Public Schools - The Maury Foundation (City)
137001	Orange County Educational Foundation
139001	Page County Public Education Foundation
141001	Patrick County Education Foundation
730001	Petersburg Public Schools Endowment Scholarship Fund
143001	Pittsylvania Vocational Education Foundation, Inc. (County)
735001	Poquoson Education Foundation (City)
740001	Portsmouth Schools Foundation (City)
147001	Prince Edward Public Schools Endowment, Inc. (County)
149001	Prince George Alliance for Education Foundation, Inc. (County)
153001	Prince William County Public Schools Education Foundation, Inc.
750001	Radford High School Foundation, Inc. (City)
157001	Headwaters, Rappahannock Co. Public Education Foundation, Inc.
760001	Richmond Public Schools Education Foundation, Inc. (City)
161001	Roanoke County Schools Education Foundation, Inc.
161002	Roanoke Education Assistance Foundation (County)
165001	Rockingham Education Foundation, Inc. (County)
169002	Scott County Foundation for Excellence in Education
173001	Smyth County Education Foundation
169001	Southwest Virginia Public Education Foundation, Scott County
179001	Stafford County Vocational Education Foundation, Inc.
790001	Staunton City Schools Educational Endowment Fund
185001	Educational Support Foundation for Graham High School (Tazewell County)
810001	Virginia Beach Public Schools Education Foundation (City)
187001	Warren County Education Endowment, Inc.
191001	Washington County, Virginia Public School Education Foundation
193002	Westmoreland County Public Schools' Education Foundation
840001	Winchester Education Foundation (City)
195001	Wise County Schools Educational Foundation, Inc.
197001	Wythe County Public Schools Foundation for Excellence, Inc.
199001	York Foundation For Public Education, Inc. (County)



# TAX RATE SCHEDULE

**IF YOUR VIRGINIA TAXABLE INCOME IS:**

**Not over \$3,000, your tax is 2% of your Virginia taxable income.**

<b>over—</b>	<b>but not over—</b>	<b>your tax is—</b>	<b>of excess over—</b>
<b>\$ 3,000</b>	<b>\$ 5,000</b>	<b>\$ 60 + 3 %</b>	<b>\$ 3,000</b>
<b>\$ 5,000</b>	<b>\$17,000</b>	<b>\$ 120 + 5 %</b>	<b>\$ 5,000</b>
<b>\$17,000</b>		<b>\$ 720 + 5.75 %</b>	<b>\$17,000</b>

Example

If your taxable income is \$90,000, your tax is \$720 + 5.75% of the amount over \$17,000. This equals \$720 + (.0575 x \$73,000) = \$720 + \$4,197.50 = \$4,917.50 which should be rounded to **\$4,918**.

## TAX TABLE

The tax table can be used if your Virginia taxable income is listed in the table. Otherwise, use the Tax Rate Schedule.

Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is
\$ 0 –	\$ 25	\$ 0.00	\$ 1,975 –	\$ 2,025	\$ 40.00	\$ 3,650 –	\$ 3,683	\$ 80.00	\$ 4,983 –	\$ 5,017	\$ 120.00	\$ 6,560 –	\$ 6,600	\$ 199.00
25 –	75	1.00	2,025 –	2,075	41.00	3,683 –	3,717	81.00	5,017 –	5,040	121.00	6,600 –	6,640	201.00
75 –	125	2.00	2,075 –	2,125	42.00	3,717 –	3,750	82.00	5,040 –	5,080	123.00	6,640 –	6,680	203.00
125 –	175	3.00	2,125 –	2,175	43.00	3,750 –	3,783	83.00	5,080 –	5,120	125.00	6,680 –	6,720	205.00
175 –	225	4.00	2,175 –	2,225	44.00	3,783 –	3,817	84.00	5,120 –	5,160	127.00	6,720 –	6,760	207.00
225 –	275	5.00	2,225 –	2,275	45.00	3,817 –	3,850	85.00	5,160 –	5,200	129.00	6,760 –	6,800	209.00
275 –	325	6.00	2,275 –	2,325	46.00	3,850 –	3,883	86.00	5,200 –	5,240	131.00	6,800 –	6,840	211.00
325 –	375	7.00	2,325 –	2,375	47.00	3,883 –	3,917	87.00	5,240 –	5,280	133.00	6,840 –	6,880	213.00
375 –	425	8.00	2,375 –	2,425	48.00	3,917 –	3,950	88.00	5,280 –	5,320	135.00	6,880 –	6,920	215.00
425 –	475	9.00	2,425 –	2,475	49.00	3,950 –	3,983	89.00	5,320 –	5,360	137.00	6,920 –	6,960	217.00
475 –	525	10.00	2,475 –	2,525	50.00	3,983 –	4,017	90.00	5,360 –	5,400	139.00	6,960 –	7,000	219.00
525 –	575	11.00	2,525 –	2,575	51.00	4,017 –	4,050	91.00	5,400 –	5,440	141.00	7,000 –	7,040	221.00
575 –	625	12.00	2,575 –	2,625	52.00	4,050 –	4,083	92.00	5,440 –	5,480	143.00	7,040 –	7,080	223.00
625 –	675	13.00	2,625 –	2,675	53.00	4,083 –	4,117	93.00	5,480 –	5,520	145.00	7,080 –	7,120	225.00
675 –	725	14.00	2,675 –	2,725	54.00	4,117 –	4,150	94.00	5,520 –	5,560	147.00	7,120 –	7,160	227.00
725 –	775	15.00	2,725 –	2,775	55.00	4,150 –	4,183	95.00	5,560 –	5,600	149.00	7,160 –	7,200	229.00
775 –	825	16.00	2,775 –	2,825	56.00	4,183 –	4,217	96.00	5,600 –	5,640	151.00	7,200 –	7,240	231.00
825 –	875	17.00	2,825 –	2,875	57.00	4,217 –	4,250	97.00	5,640 –	5,680	153.00	7,240 –	7,280	233.00
875 –	925	18.00	2,875 –	2,925	58.00	4,250 –	4,283	98.00	5,680 –	5,720	155.00	7,280 –	7,320	235.00
925 –	975	19.00	2,925 –	2,975	59.00	4,283 –	4,317	99.00	5,720 –	5,760	157.00	7,320 –	7,360	237.00
975 –	1,025	20.00	2,975 –	3,025	60.00	4,317 –	4,350	100.00	5,760 –	5,800	159.00	7,360 –	7,400	239.00
1,025 –	1,075	21.00	3,025 –	3,050	61.00	4,350 –	4,383	101.00	5,800 –	5,840	161.00	7,400 –	7,440	241.00
1,075 –	1,125	22.00	3,050 –	3,083	62.00	4,383 –	4,417	102.00	5,840 –	5,880	163.00	7,440 –	7,480	243.00
1,125 –	1,175	23.00	3,083 –	3,117	63.00	4,417 –	4,450	103.00	5,880 –	5,920	165.00	7,480 –	7,520	245.00
1,175 –	1,225	24.00	3,117 –	3,150	64.00	4,450 –	4,483	104.00	5,920 –	5,960	167.00	7,520 –	7,560	247.00
1,225 –	1,275	25.00	3,150 –	3,183	65.00	4,483 –	4,517	105.00	5,960 –	6,000	169.00	7,560 –	7,600	249.00
1,275 –	1,325	26.00	3,183 –	3,217	66.00	4,517 –	4,550	106.00	6,000 –	6,040	171.00	7,600 –	7,640	251.00
1,325 –	1,375	27.00	3,217 –	3,250	67.00	4,550 –	4,583	107.00	6,040 –	6,080	173.00	7,640 –	7,680	253.00
1,375 –	1,425	28.00	3,250 –	3,283	68.00	4,583 –	4,617	108.00	6,080 –	6,120	175.00	7,680 –	7,720	255.00
1,425 –	1,475	29.00	3,283 –	3,317	69.00	4,617 –	4,650	109.00	6,120 –	6,160	177.00	7,720 –	7,760	257.00
1,475 –	1,525	30.00	3,317 –	3,350	70.00	4,650 –	4,683	110.00	6,160 –	6,200	179.00	7,760 –	7,800	259.00
1,525 –	1,575	31.00	3,350 –	3,383	71.00	4,683 –	4,717	111.00	6,200 –	6,240	181.00	7,800 –	7,840	261.00
1,575 –	1,625	32.00	3,383 –	3,417	72.00	4,717 –	4,750	112.00	6,240 –	6,280	183.00	7,840 –	7,880	263.00
1,625 –	1,675	33.00	3,417 –	3,450	73.00	4,750 –	4,783	113.00	6,280 –	6,320	185.00	7,880 –	7,920	265.00
1,675 –	1,725	34.00	3,450 –	3,483	74.00	4,783 –	4,817	114.00	6,320 –	6,360	187.00	7,920 –	7,960	267.00
1,725 –	1,775	35.00	3,483 –	3,517	75.00	4,817 –	4,850	115.00	6,360 –	6,400	189.00	7,960 –	8,000	269.00
1,775 –	1,825	36.00	3,517 –	3,550	76.00	4,850 –	4,883	116.00	6,400 –	6,440	191.00	8,000 –	8,040	271.00
1,825 –	1,875	37.00	3,550 –	3,583	77.00	4,883 –	4,917	117.00	6,440 –	6,480	193.00	8,040 –	8,080	273.00
1,875 –	1,925	38.00	3,583 –	3,617	78.00	4,917 –	4,950	118.00	6,480 –	6,520	195.00	8,080 –	8,120	275.00
1,925 –	1,975	39.00	3,617 –	3,650	79.00	4,950 –	4,983	119.00	6,520 –	6,560	197.00	8,120 –	8,160	277.00













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**COUNTIES (CONTINUED)**

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**Prince George County - 149**

P.O. Box 155, Prince George, VA 23875-0155  
804-722-8740

**Prince William County\* - 153**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-792-6710

**Pulaski County - 155**

52 West Main Street, Ste 200, Pulaski, VA 24301  
540-980-7750

**Rappahannock County - 157**

P.O. Box 115, Washington, VA 22747-0115  
540-675-5370

**Richmond County - 159**

P.O. Box 366, Warsaw, VA 22572  
804-333-3722

**Roanoke County - 161**

P.O. Box 21709, Roanoke, VA 24018  
540-772-2049

**Rockbridge County - 163**

P.O. Box 1160, Lexington, VA 24450-1160  
540-463-3431

**Rockingham County - 165**

20 E. Gay St., Harrisonburg, VA 22802  
540-564-3000

**Russell County - 167**

P.O. Box 517, Lebanon, VA 24266  
276-889-8018

**Scott County - 169**

104 E. Jackson St., Suite 6, Gate City, VA 24251  
276-386-7692

**Shenandoah County - 171**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-459-6170

**Smyth County - 173**

P.O. Box 985, Marion, VA 24354  
276-782-4040

**Southampton County - 175**

P.O. Box 760, Courtland, VA 23837-0760  
757-653-3032

**Spotsylvania County - 177**

P.O. Box 175, Spotsylvania, VA 22553-0175  
540-507-7054

**Stafford County - 179**

P.O. Box 98, Stafford, VA 22555-0098  
540-658-4131

**Surry County - 181**

P.O. Box 35, Surry, VA 23883  
757-294-5225

**Sussex County - 183**

P.O. Box 1398, Sussex, VA 23884-0398  
434-246-1022

**Tazewell County - 185**

101 E. Main St., Tazewell, VA 24651  
276-988-1235

**Warren County - 187**

P.O. Box 1775, Front Royal, VA 22630-0038  
540-635-2651

**Washington County - 191**

174 E. Main St., Abingdon, VA 24210  
276-676-6270

**Westmoreland County - 193**

P.O. Box 68, Montross, VA 22520  
804-493-9052

**Wise County - 195**

P.O. Box 1278, Wise, VA 24293  
276-328-3556

**Wythe County - 197**

225 S. 4th Street, Wytheville, VA 24382  
276-223-6015

**York County - 199**

P.O. Box 90, Yorktown, VA 23690-0090  
757-890-3381

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**CITIES**

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**Alexandria City\* - 510**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-838-4570

**Bedford City - 515**

P.O. Box 807, Bedford, VA 24523-0807  
540-587-6051

**Bristol City - 520**

497 Cumberland St., Rm 101, Bristol, VA 24201  
276 645-7316

**Buena Vista City - 530**

2039 Sycamore Ave., Buena Vista, VA 24416-3113  
540-261-8611

**Charlottesville City - 540**

P.O. Box 9031, Charlottesville, VA 22906-9031  
434-970-3160

**Chesapeake City - 550**

P.O. Box 15285, Chesapeake, VA 23328  
757-382-6732

**Colonial Heights City - 570**

P.O. Box 3401, Colonial Heights, VA 23834  
804-520-9280

**Covington City - 580**

P.O. Drawer 58, Covington, VA 24426-0058  
540-965-6350

**Danville City - 590**

P.O. Box 480, Danville, VA 24543  
434-799-5145

**Emporia City - 595**

P.O. Box 956, Emporia, VA 23847  
434-634-5405

**Fairfax City - 600**

10455 Armstrong St., Room 210,  
Fairfax, VA 22030-3649  
703-385-7880

**Falls Church City - 610**

300 Park Avenue, Ste.104-E,  
Falls Church, VA 22046-3351  
703-248-5065

**Franklin City - 620**

P.O. Box 389, Franklin, VA 23851-0389  
757-562-8548

**Fredericksburg City - 630**

P.O. Box 644, Fredericksburg, VA 22404-0644  
540-372-1004

**Galax City - 640**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-236-2528

**Hampton City - 650**

P.O. Box 636, Hampton, VA 23669-0636  
757-727-6690

**Harrisonburg City - 660**

P.O. Box 20031, Harrisonburg, VA 22801-7531  
540-432-7704

**Hopewell City - 670**

P.O. Box 1604, Hopewell, VA 23860  
804-541-2237

**Lexington City - 678**

P.O. Box 922, Lexington, VA 24450  
540-462-3701

**Lynchburg City - 680**

P.O. Box 858, Lynchburg, VA 24505-0858  
434-455-3870

**Manassas City - 683**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-257-8298

**Manassas Park City - 685**

One Park Center Ct., Manassas Park, VA 20111  
703-335-8825

**Martinsville City - 690**

P.O. Box 1222, Martinsville, VA 24114-1222  
276-403-5131

**Newport News City - 700**

2400 Washington Ave., Newport News, VA 23607-4389  
757-926-8653

**Norfolk City - 710**

P.O. Box 2260, Norfolk, VA 23501-2260  
757-664-7885

**Norton City - 720**

P.O. Box 347, Norton, VA 24273  
276-679-0031

**Petersburg City - 730**

135 N. Union St., Petersburg, VA 23803  
804-733-2315

**Poquoson City - 735**

500 City Hall Ave., Poquoson, VA 23662  
757-868-3020

**Portsmouth City - 740**

801 Crawford St, Portsmouth, VA 23704-3870  
757-393-8773

**Radford City - 750**

619 Second St., Room 161, Radford, VA 24141  
540-731-3613

**Richmond City - 760**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-646-6474

**Roanoke City - 770**

P.O. Box 718, Roanoke, VA 24004  
540-853-6543

**Salem City - 775**

P.O. Box 869, Salem, VA 24153-0869  
540-375-3019

**Staunton City - 790**

P.O. Box 4, Staunton, VA 24402-0004  
540-332-3829

**Suffolk City - 800**

P.O. Box 1459, Suffolk, VA 23439-1459  
757-923-3800

**Virginia Beach City - 810**

2401 Court House Dr.  
Virginia Beach, VA 23456  
757-385-4483

**Waynesboro City - 820**

503 W Main St., Room 107, Waynesboro, VA 22980  
540-942-6610

**Williamsburg City - 830**

P.O. Box 245, Williamsburg, VA 23187  
757-220-6150

**Winchester City - 840**

P.O. Box 546, Winchester, VA 22604  
540-667-1815

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You may mail your income tax return directly to the Department of Taxation at the addresses listed below or to your Commissioner of the Revenue at the above address.

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**REFUND RETURNS**  
**Virginia Department of Taxation**  
**P.O. Box 1498**  
**Richmond, VA 23218-1498**

**TAX DUE RETURNS**  
**Virginia Department of Taxation**  
**P.O. Box 760**  
**Richmond, VA 23218-0760**

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