

Quick Reference: Form 770 - Tax Year 2025

Types:

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

Process as Direct File:

- eFile indicator of **XXXXXX** on Form 770 is shown in the bottom right portion of the return below Line 11.
 - If the indicator **XXXXXX** is printed on the return, highlight the indicator using a **YELLOW** highlighter.
- Return's address doesn't belong in your locality.

Key Items to Review:

- Local Tax Due Returns
 - LTD bubble must be filled/"X" entered on LTD line.
 - Payment amount (or ZERO/"0") must be entered on the \$____ line.
- Locality Code – the proper 3-digit FIPS Code must be entered.
- FEIN must be shown.
- Resident/Nonresident indicator – ensure proper box is checked if blank.
- Review for Credit for Tax Paid to Another State on Schedule 1, line 5(d).
 - If claimed and the total credit is equal to or greater than \$500, code "**MX.**"
- Determine if the return is timely or late.

Group Returns in Stacks:

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

Transmittal to Virginia Tax:

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