

# Screen Form 760 - Tax Year 2023

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## Process

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

## Effective Date

01/01/2024

## Purpose

This task is performed by representatives in the Commissioner of the Revenue's Office to ensure the **Tax Year 2023** Form 760 is complete and that informational screening codes are written on the return as applicable. While commonly referred to as "Form 760" throughout this task, Form 760 is found in the following formats:

- 760 Handprint return
- 760CG return with 2D barcode
- 760CG return without 2D barcode

This task covers the screening of the following:

- 760 Refund returns which were eligible for an Accelerated Refund but ***not processed as such***.
- 760 Refund returns which were **NOT** eligible for an Accelerated Refund.
- 760 Tax Due returns received with or without remittance.


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

## Special Notes

In Tax Year **2018**, an indicator was placed on printed copies of current year 760CG returns that were prepared for e-File submission. If current year Form 760CG return documents bearing this indicator are identified by staff in the Commissioner of the Revenue's Office, these documents should **not** be processed locally. They should be sent to Virginia Tax for **DIRECT** processing. Failure to identify these documents may result in the returns being processed locally and erroneous assessments created.

Placement of the indicator **XXXXX** on Form 760CG is in the top right portion of the document to the right of the Vendor ID as shown below.

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

Vendor ID	0000A	XXXXX	
Withholding (VA) - You	20A.	000000000.	
Withholding (VA) - Spouse	20B.	000000000.	
Estimated Payments	21.	000000000.	

### **Verification of Completed Bubbles/Boxes at the Bottom of Form 760**

- Local Tax Due Returns
  - A **RED** pen should be used when making payment notations at the bottom of the return.
  - The LTD bubble should be filled in/an “X” should appear on the LAR line.
  - The associated payment amount should be entered on the \$\_\_\_\_\_ line.
    - ❖ **NOTE: If no payment accompanied the return, ZERO “0” should be entered on the \$\_\_\_\_\_ line.**
- Each bundle of work received should contain only one **Category** and one **Form type**. Do not mix types of work.
- The return is "coded" by writing the appropriate screening codes in the bottom right corner of Page 1 of the return.
- Making extensive changes to the return will result in processing delays and may cause errors.
- To assist a customer needing extensive changes, prepare a new 760 return and obtain the customer's signature. Give the original 760 return back to the customer; including it behind the newly completed return may cause processing problems and errors.
- Federal Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, may be attached to the return.

## **Procedure**

### **Responsibility**

Commissioner of Revenue's Office Locality Representative

### **STEPS**

1. Obtain a return to be screened.
2. Determine if the Computer-generated current year 760CG bears the **XXXXX** e-file indicator on it.
  - A. If the return shows the **XXXXX eFile indicator** denoting that the return was prepared for e-file submission,
    1. Draw a bold line through the entire **XXXXX eFile indicator** using a yellow highlighter.
    2. Place the return aside to be sent to Virginia Tax for **DIRECT** processing.
    3. Go to **STEP 1**.
  - B. If the return doesn't show the **XXXXX eFile indicator**, go to **STEP 3**.
3. Determine if the Locality Code field is complete and **if the taxpayer resided/resides in your locality**.

- A. If the Locality Code field is complete and the taxpayer resided/resides in your locality, go to **STEP 4**.
  - B. If the Locality Code field is complete **BUT the taxpayer resided/resides in another locality**, place the return aside to be sent to TAX for **DIRECT** processing.
  - C. If the Locality Code field is blank, write in the **FIPS** code associated with the city or county shown in the taxpayer's address.  
**NOTE:** The Locality Code of "300" is designated when no city/county location is supplied by the customer.
4. Determine if the Federal Adjusted Gross Income (FAGI) field on Line 1 is complete.
    - A. If the FAGI is complete, go to **STEP 5**.
    - B. If the FAGI is blank and there is an entry on Line 9 (Virginia Adjusted Gross Income),
      - 1) Compute the FAGI by working backwards and adjust for entries on Lines 2 and 4 - 7.
      - 2) Write the computed amount on Line 1.  
**NOTE:** DO NOT alter the FAGI field unless it is blank.
  5. If working a Handprint form **AND** there are entries on both Lines 19a and 19b, screen for an incorrect subtotal on Line 20.
    - A. View Lines 19a and 19b, 20 and 26.
    - B. If the sum of 19a plus 19b equals the amount on Line 20 AND equals the amount on Line 26, draw a line through the amount on Line 20.  
**NOTE:** Customers occasionally add Lines 19a and 19b and enter the total on line 20.
  6. Review for Credit for Tax Paid to Another State.
    - A. If the Credit is not claimed, go to **STEP 8**.
    - B. If the Credit is claimed AND if the other state's tax return **is included**, go to STEP 7.
    - C. If the Credit is claimed AND the other state's tax return is **not included AND**
      - 1) If the total credit is less than \$500, the other state's income tax return is not required.
      - 2) If the total credit is equal to or greater than \$500, code "**MX**".  
**NOTE:** The credit is claimed on Line 24 of Form 760 with the details listed on Schedule OSC.
  7. Review Schedule OSC credit amount(s) and Form 760 net tax amount.
    - A. Add the credit amount(s) from Schedule OSC Lines 10 and 20 for each state that does NOT have a line drawn through the Income Percentage.
    - B. Compare the total OSC credit amount computed in **STEP 6A** to the amount appearing on Line 18 of Form 760.
      - 1) If Line 18 (Form 760) is **larger** than the total computed OSC amount, go to STEP 8.
      - 2) If Line 18 (Form 760) is **smaller** than the total computed OSC amount, line through the Income Percentage on Schedule OSC for one or more state credits until the total allowable credit amount equals **less** than Line 18 (Form 760).  
**NOTE:** This action will cause the return to be presented to a Virginia Tax Representative for correction and resolution during automated processing.
  8. If the Farmer, Fisherman, and Merchant Seaman checkbox is checked, code as follows:
    - **Return filed on or before April 15, 2024-** code "**IX**"
    - **Return filed after April 15, 2024-** code "**UX**"
  9. Screen for Federal Form 1310.
    - A. If Federal Form 1310 is attached, code the return "**DX**".
    - B. If Federal Form 1310 is not attached, go to **STEP 10**.
  10. Place the screened return aside in one of the following stacks.
    - **Timely** Farmer, Fisherman, Merchant Seaman returns
    - **Late** Farmer, Fisherman, Merchant Seaman returns

- All other returns  
**NOTE:** Farmer, Fisherman, Merchant Seaman returns are identified and noted separately as Timely or Late for transmittal to TAX to ensure special handling.
11. Repeat **STEPS 2 –10** until all returns have been screened.
  12. Gather the screened 760 returns.
    - A. Secure the bundle with a rubber band or paper clip when there are too few returns to be rubber banded.
    - B. Place the completed bundle in the designated location for transmittal to Virginia Tax. (Refer to PROCESS: [Transmit Local Filed Returns to Virginia Tax.](#))

## Publication Date

12/01/2023