

DRAFT FORM — NOT FOR FILING

This draft form has been updated to include the most recent changes effective for Tax Year 2025 Virginia returns. If legislative changes or issues arise, we will post a new version of this draft form.

Please continue to monitor tax.virginia.gov/early-release-forms for future drafts of this form. Once forms are final, we will post them on our website at tax.virginia.gov/forms.

2025 Schedule A Instructions

Itemized Deductions

Generally, line items on Virginia Schedule A are defined in federal law and explained in the instructions for federal Schedule A (Form 1040) and instructions for federal Schedule A. Some exceptions apply and are explained in these instructions.

General Information

Use Virginia Schedule A to determine your itemized deductions. You must claim the same type of deductions (standard or itemized) on your Virginia return as you claimed on your federal return. As a result, you may not claim itemized deductions on your Virginia return if you claimed the standard deduction on your federal return. If state and local income tax is the only federal itemized deduction you are claiming on the Virginia return, enter zero on Form 760, Line 10; Form 760PY, Line 11; or Form 763, Line 10. Be sure to enclose Virginia Schedule A with your return if you claim itemized deductions.

If a joint federal return was filed and you are filing separate returns in Virginia, itemized deductions that cannot be accounted for separately must be allocated proportionately between spouses based on each spouse's share of the combined federal adjusted gross income.

Part-year residents should complete the computation using only the deductions for which the underlying expense payments were made during their period of residency in Virginia.

Do not include on Schedule A items deducted elsewhere, such as on Schedules ADJ, 760PY ADJ, or 763 ADJ. See the Form 760 Resident Individual Income Tax Instructions for information regarding additional deductions.

Conformity

Complete the Conformity Worksheet before completing the Virginia Schedule A. If you have an addition (Schedule ADJ, Line 2a) or subtraction (Schedule ADJ, Line 6a) for Conformity, refer to the Conformity Worksheet to compute your Conformity Federal Adjusted Gross Income. Use the amount on Line 5 of the Conformity Worksheet, rather than your Federal Adjusted Gross Income, to compute your Virginia limitations. If you do not have any additions or subtractions related to Conformity, continue to use your Federal Adjusted Gross Income to compute your limitation for these deductions.

For taxable years beginning on or after January 1, 2019, Virginia deconforms from the increase in the medical expense deduction and the suspension of the overall limitation on itemized deductions, commonly known as the Pease limitation.

Virginia's rolling conformity with the Internal Revenue Code has been suspended for periods beginning on or after January 1, 2025, and before January 1, 2027. Therefore, Virginia does not automatically conform to the One Big Beautiful Bill Act (H.R. 1) that includes an increase in the federal state and local tax (SALT) deduction cap for Tax Year 2025.

Virginia SALT Cap Amount: At the time these instructions were printed, the Virginia SALT deduction cap remained limited to \$5,000 if married, filing separately and \$10,000 for all other taxpayers. The above Virginia SALT cap amounts must be used wherever the SALT cap is referenced in these instructions unless the Virginia General Assembly enacts legislation to change the Virginia SALT cap amounts. Information about any changes that may be made by the Virginia General Assembly will be posted on the Department's website at www.tax.virginia.gov. See the information on line-item exceptions below and the TIPS at the end of these instructions for guidance on how to complete the Virginia Schedule A.

Virginia Exceptions to Federal Schedule A

Line 4. Medical Expense Deduction. For Virginia purposes, you are allowed a medical expense deduction only for qualified expenses that exceed 10 percent of federal adjusted gross income. Part-year filers should use only the portion of federal adjusted gross income adjusted for conformity and earned while a Virginia resident to calculate their medical expense deduction.

Line 5a. State and Local Income Taxes or General Sales Taxes. If you are claiming a deduction for general sales taxes instead of income taxes, you must fill in the oval and enter the state and local sales taxes paid by you during the taxable year not to exceed the Virginia SALT Cap amount. Otherwise, enter the state and local income taxes paid during the taxable year and reported on the federal return.

Lines 5b and 5c. Real and Personal Property Taxes. Taxpayers may claim a deduction for the actual amount of real and personal property taxes paid and imposed by Virginia or any other taxing jurisdiction. The SALT cap does not apply to this Virginia deduction, but all other restrictions on this deduction do apply.

Line 17. Total Itemized Deductions Limitation. For Virginia purposes, your total itemized deductions may be subject to an overall limitation (Pease limitation) that has been suspended for federal purposes.

Using your federal filing status, if the amount on Line 1 of Forms 760, 760PY, or 763 exceeds \$399,200 if jointly or qualifying surviving spouse; \$365,950 if head of household; \$332,700 if single; or \$199,600 if married filing a separate return, use the Limited Itemized Deduction Worksheet to compute your itemized deduction limitation amount to report on Line 17 of the Virginia Schedule A and the proportional state and local income tax modification to report on Line 18 of the Virginia Schedule A.

If your filing status is different for federal and Virginia purposes, use the following rules when completing the

Limited Itemized Deduction Worksheet. Complete Lines 1-11 of the worksheet based upon your federal filing status as though you were a Virginia resident for the entire taxable year and skip 12(a). Complete Line 12(b) instead. Enter on Line 12(b) those itemized deductions that you may claim on your Virginia Schedule A. Note that taxpayers filing Form 760PY (part-year residents) must enter only amounts paid while a Virginia resident when completing lines 12-13 on the worksheet. Next, complete Lines 14-15 of the Limited Itemized Deduction Worksheet as instructed on the worksheet.

Important: On the Limited Itemized Deduction Worksheet, amounts entered for Line 5a from the Virginia Schedule A are subject to the SALT cap and may not exceed the Virginia SALT cap amount. This affects the computations for amounts to enter on Line 17 and Line 18 of Virginia Schedule A.

Line 18. Reduction for State and Local Income Taxes.

For the Virginia itemized deduction computation, federal itemized deductions must be reduced by the amount of Virginia or any other taxing jurisdiction income tax payments that are reported as an itemized deduction. Use the following rules to complete Line 18:

- For most taxpayers, the reduction amount entered on Line 18 should equal Line 5a; however, there are exceptions explained below.

- If Line 17 is limited based on completion of Part A of the Limited Itemized Deduction Worksheet, then Line 18 should equal the amount computed in Part B of the Limited Itemized Deduction Worksheet.
- If general sales tax is claimed on Line 5a instead of state and local income tax, mark the oval on Line 5a and enter zero on Line 18.
- If a deduction for foreign income tax is claimed on Line 6, mark the oval on Line 6, and include the foreign income tax deduction in the reduction amount on Line 18 as follows:
 - For taxpayers completing the Limited Itemized Deduction Worksheet, this computation is made in Part B of the worksheet.
 - For other taxpayers claiming a deduction for state and local income taxes paid, enter the sum of Line 6 and Line 5a on Line 18.
 - Include the foreign income tax deduction on Line 18 even if no state and local income tax deduction is claimed.

TIPS: There are only two scenarios in which the SALT deduction cap amount affects the total Virginia itemized deduction calculation:

1. If a taxpayer claims the deduction for sales tax on Line 5a of Virginia Schedule A instead of state and local income tax paid, the deduction on Virginia Schedule A may not exceed the Virginia SALT cap amount.
2. If a taxpayer meets the income threshold for the Virginia limited itemized deduction computation and claims a deduction for state and local income tax on Line 5a of Virginia Schedule A, the limited itemized deduction worksheet Lines 1, 12(b), and 13 must be completed by entering the lesser of the amount from Line 5a of Virginia Schedule A or the Virginia SALT cap amount. These computations determine the amounts to be entered on Lines 17 and 18 of Virginia Schedule A.

Most taxpayers are not included in the above scenarios and can compute the Virginia itemized deduction amount on Schedule A using the amounts reported on the federal Schedule A without adjustments related to the SALT cap amount.