

DRAFT FORM — NOT FOR FILING

This draft form has been updated to include the most recent changes effective for Tax Year 2026 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.

2026 Virginia
Schedule 500AC

Affiliated Corporations
Consolidated and Combined Filers



Complete Schedule 500AC for each affiliate and submit with the parent company's combined or consolidated Virginia Form 500 group return.

Parent Company Name (as shown on Virginia Form 500 group return)		Parent Company FEIN (as shown on Virginia Form 500)	
Affiliate Name		Affiliate FEIN	
Street Address or P.O. Box	City or Town	State	ZIP Code
NAICS Code	Description of Business Activity	Membership Begin Date (mm/dd/yyyy)	Membership Termination Date (mm/dd/yyyy)

SECTION A – INCOME COMPUTATION

Virginia Corporation Income Computation – Affiliated Member's Share of Income Reported on Form 500.

1. Federal taxable income after NOL and special deductions	1	.00
2. Total Virginia additions (Section D, Line 7)	2	.00
3. Add Lines 1 and 2	3	.00
4. Total Virginia subtractions (Section D, Line 17).	4	.00
5. Savings and loan association bad debt deduction	5	.00
6. Add Lines 4 and 5	6	.00
7. Virginia taxable income (Subtract Line 6 from Line 3).	7	.00

Income Apportionment – Affiliated Member's Share of Income Reported on Schedule 500A.

8. Total dividends (allocable income)	8	.00
9. Nonapportionable investment function income	9	.00
10. Add Lines 8 and 9	10	.00
11. Nonapportionable investment function loss.	11	.00
12. Total nonapportionable income (Subtract Line 11 from Line 10)	12	.00
13. Income subject to apportionment (Subtract Line 12 from Line 7)	13	.00
14. Income apportioned to Virginia (Multiply Line 13 by the percentage on Line 1 or Line 2d in Section C below)	14	.00
15. Dividends allocated to Virginia	15	.00
16. Income subject to Virginia tax (Add Lines 14 and 15).	16	.00

SECTION B – APPORTIONMENT METHOD (See instructions for Schedule 500A for information on apportionment methods.)

1. Motor Carrier Mileage Factor If an exception applies, check the applicable box below ☐ Exception 1 ☐ Exception 2	7. Manufacturer's Modified Apportionment Method Sales Factor (a) Enter beginning date of election year ____/____/____ (b) Wage and employment certification required each year: Check to certify that the average weekly wages of the full-time employees is greater than the lower of the state or local average weekly wages for its industry, and that the average annual number of full-time employees of the manufacturing company is at least 90% of the base year employment.
2. Financial Corporation Cost of Performance Factor	8. Enterprise Data Center Operation
3. Construction Corporation Completed Contract Basis Sales Factor	9. Multi-Factor Formula With Double-Weighted Sales
4. Railway Company Revenue Car Miles	
5. Retail Company Apportionment	
6. Debt Buyers Apportionment	

SECTION C – APPORTIONMENT COMPUTATION

See instructions for Schedule 500A for information on apportionment computations.

1. Single Factor Computation: motor carriers, financial companies, construction companies, railway companies, retail companies, debt buyers, manufacturers that elected the modified apportionment method in Section B, and certain enterprise data center operations. 1
2. Multi-Factor Computation: For Lines 2(a) through 2(c), divide the amount in Column B by the amount in Column A to compute the Column C percentage.
(a) Property Factor 2(a)
(b) Payroll Factor 2(b)
(c) Sales Factor 2(c)
(d) Multi-Factor Percentage: Double-Weighted Sales Factor Formula: [Line a + Line b + 2(Line c)] ÷ 4 2(d)

Column A TOTAL	Column B VIRGINIA	Column C PERCENTAGE
.00	.00	%
.00	.00	%
.00	.00	%
.00	.00	%
		%



Affiliate Name _____ Affiliate FEIN _____

SECTION D – AFFILIATE'S SHARE OF ADJUSTMENTS REPORTED ON SCHEDULE 500ADJ

Virginia Additions (see Form 500 Instructions)

1. Conformity addition (depreciation)	1	_____	.00
2. Conformity addition (other)	2	_____	.00
3. Taxable addition from Schedule 500AB, Line 10.	3	_____	.00
4. Net income tax and other taxes based on, measured by, or computed with reference to the net income	4	_____	.00
5. Interest on state obligations other than Virginia	5	_____	.00
6. Other additions – See Form 500 Instructions for addition codes.	Code		
	6a.	_____	6a _____ .00
	6b.	_____	6b _____ .00
	6c.	_____	6c _____ .00
7. Total Additions – Add Lines 1-5 and 6a-6c. Enter here and on Line 2, Section A.	7	_____	.00

Virginia Subtractions (see Form 500 Instructions)

8. Conformity subtraction (depreciation)	8	_____	.00
9. Conformity subtraction (other)	9	_____	.00
10. Income from obligations or securities of the U.S. exempt from state income taxes, but not from federal income taxes	10	_____	.00
11. Foreign dividend gross-up (IRC § 78)	11	_____	.00
12. Refund or credit of income tax included in federal taxable income	12	_____	.00
13. Subpart F income (IRC § 951) and/or Net Controlled Foreign Corporation Tested Income (IRC § 951A)	13	_____	.00
14. Foreign source income subtraction allowed by Va. Code § 58.1-402 C 8.	14	_____	.00
15. Dividends received from corporations in which the recipient owns 50% or more of the voting stock, to the extent remaining in federal taxable income	15	_____	.00
16. Other subtractions – See Form 500 Instructions for subtraction codes.	Code		
	16a.	_____	16a _____ .00
	16b.	_____	16b _____ .00
	16c.	_____	16c _____ .00
17. Total Subtractions – Add lines 8-15 and 16a-16c. Enter here and on Line 4, Section A.	17	_____	.00

SECTION E – FEDERAL LINE ITEMS

Form 1120, Deductions and Taxable Income

1. Federal taxable income before NOL and special deductions	1	_____	.00
2. Net operating loss deduction	2	_____	.00
3. Special deductions	3	_____	.00

Income Apportionment – Affiliated Member's Share of Income Reported on Schedule 500A.

4. Tax-exempt interest	4	_____	.00
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Form 4562, Special Depreciation Allowance and Other Depreciation

5. Special depreciation allowance for qualified property placed in service during the taxable year	5	_____	.00
6. Property subject to 168(f)(1) election	6	_____	.00
7. Other depreciation	7	_____	.00