

Penalties

Extension penalty - The PTE must pay at least 90% of the withholding tax due by the return due date to avoid a penalty. If the return is filed within the six month extension and less than 90% of the tax was paid by the original return due date, then the PTE owes an extension penalty. The penalty is 2% per month of the tax due with the return from the due date through the date the return is filed, up to a maximum of twelve percent.

Late Filing Penalty - If the return is filed after the extended due date, the extension is not valid, and the entity is subject to the late filing penalty of thirty percent.

Late Payment Penalty - If the return is filed within the extended period and full payment is not included with the return, the entity is subject to the late payment penalty of six percent per month from the date the return is filed through the date of payment, up to a maximum of thirty percent.

Interest - Interest is due on any unpaid tax at the underpayment rate under § 6621 of the Internal Revenue Code, plus two percent, from the due date until paid.

When to File - The withholding tax payment is due on the due date of the PTE's return regardless of whether the extension to file the income return (Form 502) is used. For calendar year filers, the withholding tax payment is due April 15, 2009.

Where to file

Mail returns and payments to the **Virginia Department of Taxation, P.O. Box 1500, Richmond, VA 23218-1500.**

Change of Ownership: If there has been a change of ownership, send a notice of change to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114.** You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's website, www.tax.virginia.gov. The Form R-1 can be obtained from the Department's website or by calling the Department's Forms Request Unit at (804) 440-2541.

Change of Address/Out-of-Business: If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request or a letter to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114.** A Form R-3 can be obtained from the Department's website, www.tax.virginia.gov, or by calling the Department's Forms Request Unit at (804) 440-2541.

Questions: If you have any questions about this return, please call (804) 367-8037 or write the **Virginia Department of Taxation, P.O. Box 1115, Richmond, Virginia 23218-1115**

Preparation of Payment Voucher: Complete the PTE's federal employer identification number (FEIN), entity type, NAICS Code,

ending month and year and name and address information.

Entity type: (Note: A proper entry in this field is required.) Enter the code that corresponds to the type of entity filing this return.

<u>type</u>	<u>code</u>
S corporation	SC
general partnership	PG
limited partnership	PL
limited liability company	LL
limited liability partnership	LP
other	OB

NAICS code: Enter the 6-digit NAICS (North American Industry Classification System) code. You can download a list of these codes from the Business Registration Forms section on our website, www.tax.virginia.gov.

Determine the amount of withholding due by either:

- (1) Computing the taxable income of the PTE and applying the prorata share of the nonresident owners. Multiply the nonresident income by 5% to calculate the tax liability. Then reduce the tax liability by the owner's share of any tax credits.
- (2) Compute the taxable income of the individual nonresident owners. Calculate the tax liability of each owner by multiplying taxable income by 5%. Reduce the tax liability by the owner's share of tax credits.

Enter the total amount withheld for all nonresident owners in the block indicating amount of payment.

Declaration and Signature: Be sure to sign, date and enter your phone number in the space indicated.