

# INSTRUCTIONS FOR COMPLETING

# FORM 770

## VIRGINIA FIDUCIARY INCOME TAX

## RETURNS FOR 2024



**COMMONWEALTH OF VIRGINIA**  
*DEPARTMENT OF TAXATION*  
*RICHMOND, VIRGINIA*



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## What's New

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### Virginia's Conformity to the Internal Revenue Code

Virginia continues to conform to the Internal Revenue Code on a rolling basis, subject to certain exceptions. This allows Virginia to conform to federal tax changes to the IRC as soon as they are enacted by Congress. This also allows Virginia to conform to the Inflation Reduction Act and the Consolidated Appropriations Act of 2023. Conformity refers to how closely Virginia follows definitions and other provisions of the federal tax code, including the definition of income. The legislation passed by the General Assembly in 2023 sets guidelines for future federal law changes and their impact on Virginia returns. If changes are made to federal law that could impact your return and require adjustments, Virginia Tax will post information about this on its website at [www.tax.virginia.gov](http://www.tax.virginia.gov).

Virginia will continue to deconform from the following: bonus depreciation allowed for certain assets under federal law; the five-year carryback of certain federal net operating loss (NOL) deductions generated in the 2008 or 2009 taxable years; the federal income treatment of applicable high yield discount obligations; and the federal income tax treatment

of cancellation of debt income realized in connection with certain business debts. In addition, Virginia will continue to deconform from the following temporary changes made by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act: suspension of certain NOL limitations for Taxable Years 2018, 2019, and 2020 and increasing the business interest limitation for Taxable Year 2019 and 2020.

At the time these instructions were published, the only required conformity adjustments were those mentioned above. However, if legislation is enacted that results in changes to the IRC for the 2024 taxable year, taxpayers may need to make adjustments to their Virginia returns that are not described in these instructions. Information about any such adjustments will be posted on the Department's website at [www.tax.virginia.gov](http://www.tax.virginia.gov).

### Land Preservation Tax Credit Claim Amount Decrease

Effective for taxable years beginning on or after January 1, 2024, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, cannot exceed \$20,000.

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## General Information

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### Who Must File A Return

**Resident Estate Or Trust:** The fiduciary of a resident estate or trust must file a Virginia Fiduciary Income Tax Return (Form 770) if the estate or trust is required to file a federal Fiduciary Income Tax Return (Form 1041). "Resident estate or trust" means:

- The estate of a decedent who at death was domiciled in Virginia;
- A trust created by the will of a decedent who at death was domiciled in Virginia; or
- A trust created by, or consisting of property of, a person domiciled in Virginia.

**Nonresident Estate Or Trust:** The fiduciary of a nonresident estate or trust must file a Virginia Fiduciary Income Tax Return (Form 770) if the estate or trust had income or gain derived from Virginia sources and was required to file a federal Fiduciary Income Tax Return (Form 1041). "Income or gain from Virginia sources" means items of income or gain derived from:

- Real or tangible personal property located in Virginia;
- A business, trade, profession or occupation carried on in Virginia; or
- Intangible personal property, including annuities, dividends, interest, royalties and gains to the extent that the income is attributable to a business, trade or occupation carried on in Virginia.

**Exempt Organizations:** Fiduciaries required to file federal Form 990-T are required to file and pay income tax to Virginia on their unrelated business income attributable to Virginia sources.

**Charitable Remainder Trust:** The fiduciary of a Charitable Remainder Trust must file a Virginia Fiduciary Income Tax Return (Form 770) and enclose a copy of the federal Split-Interest Trust Information Return (Form 5227).

**Special Instructions:** Check the box for "Exempt - Charitable Remainder Trust" under the FEIN area. On Line 3, enter zero for the amount of Virginia taxable income. Enclose the federal Schedule K-1 and a worksheet reporting the Virginia income received by recipients.

### Who Should File A Return

An estate or trust that is not otherwise required to file, but which made payments of estimated tax or had income tax withheld during the taxable year, must file a Virginia Fiduciary Income Tax Return to claim a refund of those amounts.

### Period Of Return And Accounting Method

The accounting period and method of accounting for Virginia purposes must be the same as the one used for federal purposes. If the taxable year or method of accounting is changed for federal purposes, the change must be applied to the Virginia return.

### Signature And Verification

The return must be signed by the fiduciary or an authorized officer of the organization receiving or having custody or control of the management of the estate or trust. If two or more individuals act jointly as fiduciaries, the return may be signed by any one of those individuals.

### Penalties And Interest

**Penalties:** A fiduciary who fails to file or files a fraudulent return may be subject to civil and/or criminal penalties and interest charges.

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## Filing Information

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### Where To Get Forms And Assistance

Assistance is available at the offices of the Commissioner of the Revenue, Director of Finance or Director of Tax Administration of every Virginia county and city. Addresses and telephone numbers for these offices are available at the back of these instructions. Since the Virginia return is based on federal information, you should have a complete copy of the federal return on hand when you contact any of the above offices. You can download most Virginia tax forms from the Department's website: **www.tax.virginia.gov**. You may order forms from the Department of Taxation at **804.367.8031**. **Address requests for information to Virginia Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115 or call 804.367.8031. Do NOT file the return at this address.** Tenemos servicios disponible en Español.

### Where To File

Both original and amended returns are accepted electronically. If you are unable to file and pay electronically, Form 770 must be filed with the Commissioner of the Revenue, Director of Finance or Director of Tax Administration for the city or county in which the fiduciary qualified. If there has been no qualification in Virginia, the return should be filed with the Virginia city or county in which the fiduciary resides, does business, or has an office, or where one of the beneficiaries resides. The mailing addresses for the local offices are available at the back of these instructions.

Visit **www.tax.virginia.gov**, to make a payment online. Payments are electronically transferred from your savings or checking account. There is no fee charged by the Department.

### When To File And Pay The Tax

Calendar year filers must file Form 770 no later than May 1, 2025. Fiscal year returns are due no later than the 15th day of the 4th month following the close of the taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the return must be filed by the next succeeding day that is not a Saturday, Sunday, or legal holiday. Returns can be filed and payments made electronically. If filing by paper, the return must be accompanied by full payment of the tax due as reported on the return. If not filing electronically, make checks payable to the Treasurer of the city or county where the return is filed.

Virginia Tax does not acknowledge receipt of paper filed returns and/or payments. If you need confirmation of delivery, consider using USPS Postal Service Tracking.

### Estimated Tax

**Trusts:** Trusts must make payments of estimated tax if the income tax liability on Form 770 for the taxable year will exceed \$150.

**Estates:** Estates are not required to make estimated tax payments until the first taxable year that ends 2 or more years after the decedent's date of death. Estimated tax payments must be made for that taxable year and subsequent taxable years if the income tax liability will exceed \$150.

The civil penalty for failing to file a return by the due date is 6% of the tax due for each month or part of a month from the due date through the date the return is filed, up to a maximum of 30%.

The civil penalty for failure to pay the tax due by the required due date is also 6% of the tax due for each month or part of a month from the due date through the date the tax is paid, up to a maximum of 30%. The late payment penalty is not imposed for any month in which the late filing penalty has already been applied. The total combined penalties for late filing and late payment may not exceed 30% of the tax due with the return.

The civil penalty for filing a false or fraudulent return, or failing or refusing to file any return with the intent to evade the tax, is an additional penalty of 100% of the correct amount of tax due.

**Interest:** Interest due on any tax and/or penalty will accrue at the daily rate established according to *Va. Code* § 58.1-15, from the date the tax or unpaid balance became due through the date that payment is made. The daily interest rate is the federal "underpayment rate," plus 2%. The current interest factor may be obtained by calling the Department at **804.367.8031** or by visiting **www.tax.virginia.gov**.

### Allocation Of Income To Beneficiaries

*Va. Code* §§ 58.1-361 and 58.1-363 require the allocation of Virginia modifications and Virginia taxable income to beneficiaries based on their respective share of the distributable net income of the estate or trust. A schedule or other statement of the income and modifications attributable to each beneficiary must be attached to Form 770 and provided to each beneficiary by the fiduciary on Schedule 5, Beneficiary's Information (Federal Schedule K-1 Equivalent). It is not acceptable to require the beneficiary to compute his or her own modification from the federal information provided on the federal Schedule K-1.

If the beneficiaries will qualify for the credits available to Form 770 filers, the fiduciary must provide each beneficiary with the information from Schedule 5 necessary to compute and/or claim the credit(s).

The new PTET credit that is allocated to an estate or trust cannot subsequently be allocated to the beneficiaries.

### Record Keeping

Fiduciaries should retain the records pertaining to each income tax return of the estate or trust for 3 years from the due date of the return or the date the return was filed, whichever is later. If the IRS extends the time required for the retention of federal records, the Virginia records should be kept for the same period of time.

### Setoff Debt Collection Act

Before any refund can be issued, Virginia law requires the Department of Taxation to check for outstanding debts of the taxpayer with agencies of the Commonwealth of Virginia, Virginia local governments, the Virginia court system and the IRS. If any debts are found, regardless of the type of tax return filed, all or part of the refund may be withheld to satisfy the debt.

Estimated tax payments can be made using eForms, Web Upload or on paper by using Form 770ES. If Form 770ES is needed, see “Where to Get Forms and Assistance” earlier in this section. If the estimated tax is underpaid, the fiduciary may be subject to an addition to tax.

### **Addition To Tax For Underpayment Of Estimated Tax, Form 760C Or Form 760F**

An addition to tax is assessed if the fiduciary did not pay enough estimated tax through timely payments or did not have enough income tax withheld throughout the year. The addition to tax does not apply if each payment is made on time and:

1. the total tax paid (including tax withheld and timely estimated tax paid) was at least 90% (66 2/3% for farmers, fishermen or merchant seamen) of the total 2024 tax liability or 100% of the income tax liability for 2023. To determine if the requirement is met, reduce the tax by the amount of all nonrefundable credits;
2. the sum of installment underpayments for the year is \$150 or less; or
3. you qualify for one of the exceptions shown on Form 760C (Form 760F for farmers, fishermen or merchant seamen).

If the estate or trust is subject to the addition to tax for underpayment of estimated tax, complete Form 760C or 760F and pay the amount computed on Form 760C or 760F. Computation of the Virginia underpayment of tax is similar to the federal computation. The addition to tax is reported on Form 770 by completing Line 11 of Schedule 1.

### **Extension Of Time For Filing**

You are allowed an automatic 6-month extension of time to file your tax return. This provision does not extend the due date for payment of taxes; however, you must pay at least 90% of your tax by the original due date for filing the return (May 1, 2025 for calendar year filers). Payments of tentative tax must be made by the due date. Payments can be made using eForms, Web Upload, or by using **Form 770IP**. If you file your return during the extension period, but do not pay the tax due when you file your return, both the extension penalty and the late payment penalty may apply. The extension penalty will apply from the due date of the return through the date the return is filed and the late payment penalty will apply from the date the return is filed through the date of payment. To avoid paying the late payment penalty during the extension period, you must pay any tax owed **when you file the return**.

If you file your return within 6 months from the due date, but you do not pay at least 90% of your tax by the original due date for filing your return, you will be subject to an extension penalty of 2% per month. The penalty is applied to the balance of tax due with the return from the original due date through the date of payment. The maximum extension penalty is 12% of the tax due. If you file more than 6 months after the original due date, the extension provisions will not apply, and you will be subject to the late filing penalty. In addition to these penalties, you will be subject to interest charges on any balance of tax due with your return, even if you meet the 90% payment requirement.

It is not necessary to file Form 770IP if you are CERTAIN that your tax return will result in a refund because penalties are not assessed on a refund return; however, by law the Department of Taxation may issue a refund only if the return is filed within 3 years of the original due date or extended due date on the return, whichever is later.

### **Amended Returns And Federal Adjustments**

Estates and trusts are required to report to the Department federal adjustments and pay any additional amounts due within one year after the final determination date of such adjustments (“the one-year requirement”). For the purposes of the one-year requirement, the “final determination date” is defined as one of the following:

- If the federal adjustment is the result of an audit or other action by the IRS, the final determination date is defined as the first day on which no federal adjustments arising from that audit or other action remain to be finally determined. For agreements required to be signed by the IRS and the taxpayer, the final determination date is defined as the date on which the last party signed the agreement.
- If the federal adjustment is the result of an audit or other action by the IRS, and the taxpayer filed as a member of a Virginia combined or consolidated return, the final determination date is defined as the first day on which no related federal adjustments arising from that audit remain to be finally determined for the entire group.
- If the federal adjustment results from filing an amended federal return, a federal refund claim, or an administrative adjustment request or if it is a federal adjustment reported on an amended federal return or other similar report, the final determination date is defined as the day on which the amended return, refund claim, administrative adjustment request, or other similar report was filed.

If you are an owner of a partnership and receive Form 502FED-1, Virginia Partnership-Level Federal Adjustments Report, from the partnership and need to file an amended Virginia return in order to report the distributive share of the partnership-level adjustment, you must enclose a copy of Form 502FED-1 with the amended return.

Any taxpayer filing an amended federal return must also file an amended state return and must pay any additional tax and interest due, if applicable.

In addition, if you file an amended return with any other state that results in a change that would affect your Virginia income tax, you must file an amended Virginia tax return within 1 year.

If the changes or adjustments result in a decrease in the fiduciary’s income tax liability, Virginia law allows the Department of Taxation to issue a refund only if the amended return is filed within:

- 3 years from the due date for filing the original return, including filing extensions;
- 1 year from the final determination date for the amended federal return or federal change, whichever is later, provided the refund requested is attributable only to such change or adjustment;

- 1 year from the final determination of the amended return of any other state or change or correction in the income tax of the taxpayer for any other state, provided that the refund does not exceed the amount of the decrease in Virginia tax attributable to such change or correction;
- 2 years from the filing of an amended Virginia return resulting in payment of additional tax, provided the claim for refund raises issues pertaining solely to the prior amended return and the claim does not exceed the amount of additional tax paid as a result of such prior amended return; or
- 2 years from the payment of an assessment, provided the amended return raises issues relating only to the prior assessment and the refund does not exceed the amount of tax paid on the prior assessment.

**How and Where to File an Amended Return**

If amending your return, check the "amended return" box. In addition, enter the appropriate amended return reason code (see below) in the space provided. Select the reason code that best indicates why your return is being amended and enclose the appropriate documentation.

Code	Amended Return Reason
03	Federal Return Amended or Adjusted – Enclose copy of IRS final determination, if applicable
04	Virginia Return – Changes to subtractions, deductions, additions, and credits
01	NOL
02	Partnership Level Federal Adjustment – Enclose Form 502FED-1
05	Pass-Through Entity Elective Tax Payment Credit
30	Other – Enclose Explanation

Amended returns can be filed and payments made electronically. If you are unable to file and pay electronically, obtain a blank Form 770 for the same taxable year and write "AMENDED" at the top or check the Amended box and enter the amended reason code. Then complete the form using the corrected figures as if it were the original return. Do not make any adjustments to the return to show refunds received or balances paid with the original return.

**Enclose a complete copy of your amended federal return and the Virginia Modification Worksheet, if applicable.**

You will be contacted if additional information is needed. File the amended return with the Commissioner of the Revenue, Director of Finance or Director of Tax Administration for the city or county where the original return was filed (see the "Where to File" section for further information). Mailing addresses are at the back of these instructions.

**Tax Credits**

**General Information**

The following rules apply when computing tax credits:

- Where a credit is limited to a percentage of the tax, the

"tax" for this purpose shall be gross tax, less the credit for taxes paid to other states.

- Other income tax credits should be claimed in the order in which they provide the maximum benefit, regardless of the order shown on the form.
- Claim only as much credit as can be used to offset tax liability and keep accurate records of the carryover available for each credit.
- Each pass-through entity must file Form TCA with the Department of Taxation within 30 days after the credit is granted and at least 90 days before filing their income tax return. A copy of the certification letter from the administering agency is a required enclosure with Form TCA.
- Many credits may not be claimed on your return or allocated to beneficiaries until after you have submitted an application and have been notified in writing that you are allowed to claim the credit. If your return is due and you have not yet been notified, you have the option to either:
  - Pay at least 90% of your tax liability by the return due date and file your return on extension after receiving such notification, or
  - File your return by the due date without claiming the credit, and file an amended return after you have received such notification.

**Credit For Tax Paid To Another State**

**Resident Fiduciary:** A resident fiduciary is required to report its entire federal taxable income on Form 770, regardless of whether the entire income was derived from sources in Virginia. If the fiduciary is liable for payment of income taxes to another state on earned or business income derived from that state, or any gain (if included in federal adjusted gross income) on the sale of a capital asset outside Virginia, provided the income is taxed by Virginia as well as the other state (see *Va. Code* § 58.1-332 for information on capital assets), a credit is generally allowed for taxes paid to the other state, provided the income is taxable both to Virginia and the other state. The credit is computed on Form 770, Schedule 4.

**Exception:** A Virginia fiduciary deriving business income as a nonresident in Arizona, California, the District of Columbia or Oregon may **not** claim a credit on the Virginia return for taxes paid to those states. The credit must be claimed on the other state's nonresident fiduciary income tax return.

This credit applies only to income taxes paid to other states. Taxes paid to cities, counties, the federal government and foreign governments do not qualify for the credit. The credit is not allowed for franchise tax, license tax, excise tax, unincorporated business tax, occupation tax or any other tax characterized as such, even though the tax is based on *business* income. In addition, the credit is not allowable for taxes paid to any state that is prohibited by its own legislation from imposing an income or commuter tax.

The credit must be computed separately for each state. Enclose separate schedule for each state. A complete copy of the income tax return filed with any state(s) for which a credit is claimed must be enclosed with Form 770. Copies of

canceled checks or other income statements are not sufficient for verification of the income tax liability to the other state.

**Nonresident Fiduciary:** As a general rule, Virginia law does **not** provide a credit to a nonresident fiduciary on business income taxable by both Virginia and the fiduciary's state of residence. Therefore, such credits typically must be claimed on the income tax return filed with the state of residence.

**Exception:** If the nonresident fiduciary is liable for income taxes as a resident of Arizona, California, the District of Columbia or Oregon on income derived from Virginia sources, credit for tax paid to that state will be allowed on the Virginia return.

A complete copy of the income tax return filed with any state(s) for which a credit is claimed must be enclosed with Form 770. Copies of canceled checks or other income statements are not sufficient for verification of the income tax liability to the other state.

#### **Neighborhood Assistance Act Tax Credit**

The Virginia Neighborhood Assistance Act provides tax credits to individuals and businesses that make qualified donations directly to pre-approved Neighborhood Assistance Program organizations whose primary function is to provide educational or other qualified services for the benefit of low-income families. Individuals may receive a credit for a donation of money or marketable securities to an eligible organization. Businesses may receive a credit for a donation of money, marketable securities, property, limited professional services or contracting services. Licensed veterinarians, physicians, dentists, nurses, nurse practitioners, physician assistants, chiropractors, optometrists, dental hygienists, pharmacists, professional counselors, clinical social workers, clinical psychologists, marriage and family therapists, physical therapists, physician specialists, or mediators who donate their services for an approved organization may be eligible for credits. The amount of credit attributable to a partnership or S corporation must be allocated to the partners and shareholders in proportion to their ownership or interest in the partnership or S corporation. Any unused tax credits may be carried forward for the next 5 taxable years. For a list of approved organizations or additional information, contact the **Virginia Department of Social Services, Neighborhood Assistance Program, 5600 Cox Road, 3rd Floor, Glen Allen, VA 23060** or send an email to [NAP@dss.virginia.gov](mailto:NAP@dss.virginia.gov) or contact the **Virginia Department of Education, 23rd Floor, P.O. Box 2120, Richmond, VA 23218-2120, Attn: Neighborhood Assistance Tax Credit Program for Education** or email [tax.credits@doe.virginia.gov](mailto:tax.credits@doe.virginia.gov).

#### **Major Business Facility Job Tax Credit**

For taxable years beginning on and after January 1, 1995, but before July 1, 2025, individuals, estates, trusts, corporations, banks, insurance companies and telecommunications companies may claim a Virginia tax credit if the taxpayer creates at least 50 new full-time jobs in connection with the establishment or expansion of a major business facility, and the company is engaged in a qualifying industry in Virginia. If a taxpayer is located in an enterprise zone or in an economically distressed area (as defined by the Virginia Department of

Economic Development), the threshold is reduced from 50 to 25. Credits will be recaptured proportionately if employment decreases during the 5 years following the initial credit year.

This nonrefundable credit is equal to \$1,000 per qualifying new job in excess of the 50/25 job threshold in enterprise zones or economically distressed areas. This credit is spread over 2 years for taxpayers whose credit year begins on or after January 1, 2009.

The credit only applies to facilities where an announcement to expand or establish such a facility was made on or after January 1, 1994. The credit must be claimed ratably beginning with the taxable year following the year in which the facility is established or expanded, or the new qualifying jobs are added. Unused credits may be carried forward for the next 10 taxable years. A qualified business firm receiving an Enterprise Zone Job Creation Grant under Va. Code § 59.1-547 shall not be eligible to receive a Major Business Facility Job Tax Credit for any job used to qualify for the Enterprise Zone Job Creation Grant.

To apply for this credit, complete **Form 304**. All applications must be submitted to the **Department of Taxation, Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715** 90 days prior to the due date of your return. A letter will be sent to certify the credit.

#### **Historic Rehabilitation Tax Credit**

Individuals, estates, partnerships, trusts or corporations incurring eligible expenses in the rehabilitation of a certified historic structure are entitled to claim a credit against individual income tax, fiduciary income tax, corporation income tax, the bank franchise tax, and taxes imposed against insurance companies and utility companies. The credit is equal to 25% of eligible rehabilitation expenses. To qualify, the cost of the rehabilitation must equal at least 50% (25% if the building is an owner occupied residence) of the assessed value of the building for local real estate tax purposes in the year preceding the start of the rehabilitation. For taxable years beginning on and after January 1, 2017, the amount of the Historic Rehabilitation Tax Credit that may be claimed by each taxpayer, including carryover amounts, cannot exceed \$5 million for any taxable year. The rehabilitation work must be certified by the Virginia Department of Historic Resources as consistent with the Secretary of the Interior's Standards for Rehabilitation. The request for certification of the completed project must be submitted within 1 year of the completed work. Any unused credit may be carried forward for 10 years. Applications for participation in the program may be obtained by contacting the **Virginia Department of Historic Resources, 2801 Kensington Avenue, Richmond, VA 23221, 804.482.6446**, or by visiting [www.dhr.virginia.gov/tax-credits/](http://www.dhr.virginia.gov/tax-credits/).

#### **Barge and Rail Usage Tax Credit**

An income tax credit is allowed for transporting cargo containers by barge and rail rather than by trucks or other motor vehicles on the Commonwealth's highways. The amount of the credit is \$25 per 20-foot equivalent, unit or 16 tons of non-containerized cargo or one unit of roll-on/roll-off cargo moved by barge or rail rather than by trucks or other motor

vehicles on Virginia's highways. Containers for which this credit is claimed must result from a diversion of shipments from the highways. To receive a credit, an international trade facility is required to apply to the Virginia Department of Taxation. No more than \$500,000 in tax credits can be issued in any fiscal year. The Department will determine the allowable credit amount for the taxable year and provide a written certification of the allowable credit amount to each taxpayer.

The business must apply by April 1st using **Form BRU**. Submitting a late application will disqualify you from the credit. All applications must be sent to the **Virginia Department of Taxation, Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715**. This credit requires certification from the Tax Credit Unit to be claimed on your tax return. A letter will be sent to certify the credit. For assistance write to the **Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715** or call **804.786.2992**.

#### **Qualified Equity And Subordinated Debt Investments Tax Credit**

Taxpayers making a "qualified investment" in the form of equity or subordinated debt in a "qualified business" may be eligible for this credit. Businesses may apply for designation as a qualified business using **Form QBA**. The qualification is **valid** only for the calendar year of the application. Therefore, the business needs to reapply each year for qualification. To qualify, the business must (1) have annual gross revenues of no more than \$3 million in its most recent fiscal year, (2) have its principal office or facility in the Commonwealth, (3) be engaged in business primarily in or having substantially all of its production in the Commonwealth and (4) have not obtained during its existence more than \$3 million in aggregate gross cash proceeds from the issuance of its equity or debt investments (not including commercial loans from chartered banking or savings and loan institutions).

The credit equals 50% of the qualified business investments made during the taxable year. The total amount of credit granted is limited to \$5 million. One half of this amount must be allocated to commercialization investments and the other half is available for all other qualifying investments. If credit applications for either half exceed the allowed amount, the credits for that half will be prorated. If credit applications for either half are less than the allowed amount, the balance will be available for allocation to the other half. The total amount of credit that may be used per taxpayer per taxable year may not exceed \$50,000. The credit is nonrefundable. Unused credits may be carried forward for up to 15 years. Except in certain instances equity and debt investments held in connection with a qualified business investment must be held by the investor for at least 3 full calendar years following the calendar year for which the credit is allocated. If the holding period is not met, the unused credit amount will be forfeited, and an assessment will be issued for the amount used, to which shall be added interest, computed at the rate of 1% per month, compounded monthly from the date the tax credits were claimed.

Taxpayers cannot receive a grant from the Small Business Investment Grant Fund and claim the Qualified Equity and

Subordinated Debt Investments Tax Credit for the same investment.

Taxpayers cannot claim the credit if using the subtractions for long-term capital gains, investments in a Virginia venture capital account, or investments in a Virginia real estate investment trust for the same investment.

This credit requires **pre-approval** by the **Department of Taxation**. Investors must apply to the Department by April 1 of the year following the year the investment was made using **Form EDC**. **Taxpayers filing Form EDC after April 1 will be denied this credit**. Since the tax return of most individuals is due on May 1, most investors will need to file a return on extension or amend their original return to claim the credit.

Pass-through entities must file **Form TCA (formerly Form PTE)** with the Department of Taxation at least 90 days before filing their income tax return. A copy of the certification letter from the Department of Taxation is a required enclosure to **Form TCA**.

Visit the website at **www.tax.virginia.gov** to obtain **Form QBA, Form EDC** and **Form TCA**. Information on the application process may be obtained by writing to the **Virginia Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715**, or by calling **804.786.2992**.

#### **Coalfield Employment Enhancement Tax Credit**

This credit expired on December 31, 2021. Only credits earned in prior taxable years may be claimed based on a redemption schedule. The allowable credit must be computed on **Form 306D** and reported on the return filed for the taxable year in which the credit is claimed. **Form 306D** must be enclosed with the tax return when filed. See the instructions for **Form 306D** for additional information.

#### **Land Preservation Tax Credit**

This tax credit is for taxpayers that convey land or an interest in land located in Virginia to a public or private agency that is eligible to hold such land or interest therein for conservation or preservation purposes. The conveyance must be in perpetuity.

Credits granted for 2007 and beyond are 40% of the fair market value, as substantiated by a "qualified appraisal" prepared by a "qualified appraiser", as those terms are defined under applicable federal law and regulations governing charitable contributions. For taxable years beginning on and after January 1, 2024, the credit is limited to \$20,000 per taxpayer per taxable year. If you are looking for claim limit information for an earlier tax year, please see the instructions for that year. Any unused credit not affected by the usage limits will retain the original carryforward periods (10 years for donations originating on or after January 1, 2007).

Any taxpayer holding Land Preservation Tax Credits that originated on or after January 1, 2002, may transfer unused but otherwise allowable credits for use by another taxpayer on such taxpayer's Virginia income tax return. Transfers and pass-through allocations derived from donations recorded on or after January 1, 2007, are generally subject to a fee. See Schedule A of Form LPC-1 or Form LPC-2 for further information.



If this credit is taken, then for the next 3 years taxpayers cannot take a subtraction for the gain on the sale of land or easements dedicated to open-space use. A subtraction is allowed for any gain or income recognized by a taxpayer on the application of a Land Preservation Tax Credit against a Virginia income tax liability to the extent that the gain is included in and not otherwise subtracted from federal adjusted gross income. The transfer of the credit and its application against a tax liability shall not create gain or loss for the transferor or the transferee.

Before claiming the credit, complete and file Form LPC-1 and/or Form LPC-2 with the Department of Taxation at least 90 days before filing an annual return. For land or an interest in land conveyed before January 1, 2020, no credit will be allowed unless a completed credit application with regard to such conveyance has been filed with the Department of Taxation by December 31 of the 3rd year following the calendar year of the conveyance. For a conveyance made on or after January 1, 2020, no credit will be allowed unless a completed credit application with regard to such conveyance has been filed with the Department by December 31 of the 2nd year following the calendar year of the conveyance. Additionally, applicants filing for tax credits of \$1 million or more must apply to the Department of Conservation and Recreation to receive verification of the conservation value. For conveyances made on and after January 1, 2017, if verification of conservation value is being performed by DCR and verification takes more than 90 days, the deadline to submit Form LPC-1 may be extended for any number of days during which verification is pending, provided the application was otherwise complete at the time of the original filing deadline. The Department of Taxation will issue a letter acknowledging the amount of the credit. For assistance write to the **Virginia Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715**, or call **804.786.2992**.

### Worker Training Tax Credit

For taxable years beginning on and after January 1, 2019, but before July 1, 2025, the Worker Training Credit allows businesses to claim a tax credit for the training costs of providing eligible worker training to qualified employees. The credit is 35% of expenses incurred by the business during the taxable year for eligible worker training, subject to certain limitations. If the recipient of the training is a qualified employee, the credit may not exceed \$500 per qualified employee annually. If the recipient of the training is a non-highly compensated worker, the credit may not exceed \$1,000 per non-highly compensated worker annually.

“Eligible worker training” means the training of a qualified employee or non-highly compensated worker in the form of:

- credit or noncredit courses at any institution recognized on the Eligible Training Provider List or at any Virginia public institution of higher education, as such term is defined in Va. Code § 23.1-100, or as described in Va. Code §§ 23.1-3111, 23.1-3115, 23.1-3120, and 23.1-3125, that results in the qualified employee or non-highly compensated worker receiving a workforce credential; or

- instruction or training that is part of an apprenticeship agreement approved by the Commissioner of Labor and Industry.

“Qualified employee” means an employee of a business eligible for a credit under this section in a full-time position requiring a minimum of 1,680 hours in the entire normal year of the business’ operations if the standard fringe benefits are paid by the business for the employee. Employees in seasonal or temporary positions may not qualify as qualified employees. “Qualified employee” does not include an owner or relative. “Non-highly compensated worker” means a worker whose income is less than Virginia’s median wage, as reported by the Virginia Employment Commission, in the taxable year prior to applying for the credit. “Non-highly compensated worker” does not include an owner or relative. When claiming this credit on the basis of eligible worker training, the credit is allowable against individual income tax, estate and trust tax, corporate income tax, bank franchise tax, insurance premiums license tax, and license tax on telegraph, telephone, water, heat, light, power, and pipeline companies.

Before claiming the credit on their income tax return, employers and businesses must apply for certification of the amount of allowable credit using Form WTC, Worker Training Tax Credit Application, by April 1 of the year following the year in which the training expenses or orientation, instruction, and training program expenses were paid or incurred. All approved employers and businesses filing a timely Form WTC will be notified of their allowable credit by June 30 of the calendar year following the year in which the expenses were incurred. The maximum Worker Training Credits granted to all employers and businesses is limited to \$1 million annually. If the total credits approved exceed this amount, each will be prorated. This credit is nonrefundable but excess credit may be carried over for the next 3 taxable years. For information on pre-approved apprenticeship programs, contact the **Virginia Department of Workforce Development and Advancement at 804.786.1035**. For information on approved orientation, instruction, and training programs for manufacturers, please contact the Virginia Department of Education, Office of Career, Technical, and Adult Education, P.O. Box 2120, Richmond, VA 23218-2120, call 804.750.8163 or email [cte@doe.virginia.gov](mailto:cte@doe.virginia.gov).

### Virginia Housing Opportunity Tax Credit

Effective for taxable years beginning on and after January 1, 2021, but before January 1, 2026, a housing opportunity tax credit (HOTC) is available for certain low-income building projects in an amount up to the amount of federal low-income housing tax credit (LIHTC) allocated or allowed by the Virginia Housing Development Authority (VHDA). To be qualified, the project is required to be a qualified low-income building, as defined under federal law, that is:

- Located in Virginia;
- Placed in service on or after January 1, 2021; and
- Allocated HOTC by VHDA.

For taxable years beginning on and after January 1, 2021, but before January 1, 2026, a qualified taxpayer may claim

a HOTC against Virginia tax liability prior to reduction by any other credits allowed the taxpayer.

The credit is allowed against the individual income tax, estate and trust income tax, corporate income tax, bank franchise tax, insurance premiums license tax, and license tax on telegraph, telephone, water, heat, light, power, and pipeline companies.

The HOTC may be allocated by pass-through entities to some or all of its partners, members, or shareholders in any manner agreed to regardless of whether or not the taxpayer is allocated or allowed any portion of any federal low-income housing tax credit with respect to the qualified project, whether or not the allocation of the HOTC under the terms of the agreement has substantial economic effect within the meaning of § 704(b) of the Internal Revenue Code, and whether or not the taxpayer is deemed a partner for federal income tax purposes, as long as the partner or member meets the definition under applicable state law, and has been admitted as a partner or member on or prior to the date for filing the return, including any amendments, with respect to the year of the HOTC. Pass-through entities or qualified taxpayers may assign all or any part of the interest, including interest in the tax credits, to one or more pass-through entities or qualified taxpayers, and the qualified taxpayer shall be able to claim the HOTC as long as the interest is acquired prior to the filing of the tax return claiming the HOTC.

For calendar years 2022 through 2025, the total amount of housing opportunity tax credits authorized for qualified projects shall not exceed \$60 million per calendar year. Credits issued each calendar year shall be allowed ratably, with one-tenth of the total amount of credits allowed annually for 10 years over the credit period, except that there shall be a reduction in the tax credit allowable in the first year of the credit period due to a federal law calculation, and any reduction in the credit in the first taxable year of the credit period shall be allowable for the first taxable year following the credit period.

Twenty million of credits shall be first allocated exclusively for qualified projects in a locality with a population no greater than 35,000 as determined by the most recent United States census. Allocation of Virginia HOTC shall constitute the minimum amount of tax credits allocated for qualified projects in these localities. However, if the amount of the tax credits requested for qualified projects in these localities is less than the total amount of credits available, the balance of credits shall be allocated for any qualified project, regardless of location.

For more information, contact **Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, VA 23220**, call **Stephanie Flanders at 804.343.5939**, or visit **www.virginiahousing.com**.

#### **Pass-Through Entity Elective Tax Payment Credit**

For taxable years beginning on and after January 1, 2021, but before January 1, 2026, a qualifying pass-through entity (PTE) may make an annual election to pay a 5.75% tax

at the entity level for the taxable year. Additional legislation enacted in 2023 expanded PTET eligibility by removing the requirement that a PTE must be 100% owned by natural persons or persons eligible to be shareholders of an S corporation in order to make the PTET election for Taxable Years 2021-2025.

A corresponding refundable income tax credit is available for Taxable Years 2021 through 2025 for any amount of income tax paid by a qualifying PTE if the PTE makes the election and pays the elective income tax imposed at the entity level. The effect of the elective income tax and corresponding refundable credit is to allow the qualifying PTE to shift the income tax burden from the PTE owners to the PTE itself. The PTE must report the amount of PTET on the VK-1. An estate or trust that is an eligible owner must claim their share of PTET credit on Form 770. The credit can only be claimed by direct owners of the PTE. For assistance, contact the **Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715**, or call **804.786.2992**.

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### **Other Considerations For Fiduciaries**

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In addition to the filing of income tax returns, fiduciaries are generally responsible for ensuring that all Virginia tax obligations of an estate or trust have been fulfilled. The information in this section provides details on the settlement of accounts and outlines other Virginia taxes for which an estate or trust may be held liable.

#### **Settlement Of Accounts**

In connection with the settlement of fiduciary accounts, special attention should be given to the provisions of *Va. Code* §§ 58.1-22 and 58.1-23, dealing with the collection of taxes and levies upon property under the control of the fiduciaries and the courts. The sections are set out below.

***Va. Code* § 58.1-22. Accounts Not Settled Until Taxes Paid or Provided for** – No commissioner of accounts shall, under *Va. Code* § 64.2-1211, file any report of an account of the transactions of any fiduciary not governed by *Va. Code* § 58.1-911 until the commissioner finds that all taxes, whether state, county or city, assessed and chargeable upon the property in the hands of the person for whom such account is settled have been paid or unless such account shall show that there remains in the hands of such person a sufficient sum, over and above the charges of administration, to pay all taxes charged against such person in his capacity as fiduciary.

***Va. Code* § 58.1-23. Inquiries Required of Fiduciaries** – Every personal representative, before settling the estate in his hands, shall make inquiry of the treasurer of the county or city wherein the decedent last resided and of the Department with respect to any unpaid taxes and levies assessed against his decedent.

**Inquiries made with respect to the provisions of *Va. Code* § 58.1-23 should be addressed to the Virginia Department of Taxation, Customer Services, P.O. Box 1115, Richmond, VA 23218-1115.**

## Composite Filing

Fiduciaries may request to file, on behalf of nonresident beneficiaries or participants, a unified return thereby relieving these persons or entities of the responsibility of filing a Virginia nonresident income tax return. There are certain conditions that must be met in order to be granted approval to file a composite return. For further information call the **Department of Taxation, Customer Services at 804.367.8031**.

## Probate Tax (Tax On Wills And Administrations)

A state tax is imposed on the probate of wills and grants of administration that are not exempt by law. A probate tax return must be filed with the clerk of the court at the time the will is offered for probate, or grant of administration is sought, if the estate exceeds \$15,000 in value at the date of death of the decedent. There is no probate tax on estates valued at \$15,000 or less. For estates exceeding \$15,000 in value, the tax is 10 cents per \$100, or fraction of \$100, including the first \$15,000. In addition, the county or city in which the will is offered for probate, or grant of administration is sought, may also impose a local probate tax equal to 1/3 of the state tax. **For further information on the probate tax, contact the Clerk of the Circuit Court in the appropriate jurisdiction, or the Department of Taxation at 804.367.8031.**

## Estate Tax

Virginia law does not currently impose an estate tax on the estates of decedents whose date of death is on or after July 1, 2007. For further information, visit [www.tax.virginia.gov](http://www.tax.virginia.gov), call **804.367.8031**, or write to **Virginia Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115**.

## Consumer's Use Tax

If an estate or trust that is not engaged in a trade or business is not charged sales tax on purchases of tangible personal property (other than for resale), it must file a Virginia Consumer's Use Tax Return for Individuals, **Form CU-7**.

**Form CU-7** and the tax are due the same day that the income tax return is due. If filing a tax due Form 770 return, do not send a single payment to cover both the fiduciary return liability and the consumer's use tax liability. **Form CU-7** must be filed separately.

If engaged in a trade or business, file a Virginia Consumer's Use Tax Return, **Form ST-7**. **Form ST-7** and the tax are due by the 20th day of the month following the month in which the purchase was made.

If the total amount of purchases were from out-of-state mail order catalog(s) **ONLY** and totaled \$100 or less for the entire year, you are not required to pay the use tax. If the purchases were from out-of-state mail order catalog(s) and exceed \$100 or the purchases were of any amount from sources other than mail order catalog(s), then you must report these purchases and pay consumer's use tax on the **TOTAL** amount of *untaxed* purchases from **all** sources during the calendar year. Nonprescription drugs and proprietary medicines purchased for the cure, mitigation, treatment or prevention of diseases in human beings are exempt from the consumer's use tax.

The statewide retail sales and use tax rate is 5.3%. Some localities have additional regional or local taxes. In the Northern Virginia, Hampton Roads and Central Virginia regions, there is an additional 0.7% tax, making the total tax in those regions 6%.

There is an additional one percent sales and use tax in the "Historic Triangle," defined as the City of Williamsburg and the Counties of James City and York. These localities are within the Hampton Roads Region, making the rate in these areas 7% (6% state tax and 1% local tax).

**Additional Local Option Tax:** The following localities have adopted an additional 1% local option sales and use tax: The City of Danville, Charlotte, Gloucester, Halifax, Henry, Northampton Patrick and Pittsylvania Counties. This tax is in addition to the one percent general local sales and use tax authorized under current law. The combined tax in these localities is 6.3% (4.3% state tax, 1% local tax and 1% additional local option tax). These additional local and regional taxes apply to general retail sales only and do not impact the rate charged for sales of food for home consumption, which are taxed at a reduced rate of 1%.

For further information on the consumer's use tax, visit [www.tax.virginia.gov](http://www.tax.virginia.gov), write to the **Virginia Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115** or call **804.367.8037**.

## Litter Tax

Litter tax is reported on a separate return, **Form 200**. This tax is imposed on every "person," who on January 1 of the taxable year, was engaged in business as a manufacturer, wholesaler, distributor or retailer of the following products: food for human or pet consumption; groceries; cigarettes and tobacco products; soft drinks and carbonated waters; beer and malt beverages; wine; newspapers and magazines; paper products and household paper; glass and metal containers; plastic or fiber containers made of synthetic materials; cleaning agents and toiletries; nondrug drugstore sundry products; distilled spirits; and motor vehicle parts. "Person" means any natural person, corporation, partnership, administrator, fiduciary representative or group of individuals or entities of any kind operating such a business.

Litter tax is computed and filed on a calendar year basis for all filers, regardless of the taxable year used for income tax purposes. The return, **Form 200**, and payment of the tax are due on May 1 of each year for the preceding year. **For further information on litter tax, contact the Department of Taxation at 804.367.8037.**

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## Form 770 Line By Line Instructions

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### Page 1

Complete the information in the sections at the top of Form 770. If this return is for a period other than January 1 to December 31 of the taxable year shown on your return, indicate the fiscal beginning and ending dates in the space provided. The taxable period of your Virginia return must be the same as that of your federal return. It is important that the name, address, and Federal Employer Identification Number

(FEIN) are entered correctly. **Do NOT use the decedent's social security number or the preparer's FEIN as the estate's or trust's FEIN.**

If the estate or trust has not received its FEIN, write "Applied For" in the appropriate box and notify the **Department of Taxation** in writing at **P.O. Box 1115, Richmond, VA 23218-1115** as soon as the FEIN is received.

**Locality Code** Look up the 3-digit code on the back cover of the instructions for the locality in which the fiduciary qualified. Enter the corresponding number in the boxes that are provided on the form. If the fiduciary is not qualified, enter 300 as the "unassigned" locality.

**Charitable Remainder Trust** Check the box for "Exempt - Charitable Remainder Trust" under the FEIN section. On Line 3, enter zero for the amount of Virginia taxable income. A schedule or other statement of the income, and all credits and modifications attributable to the beneficiary of the Charitable Remainder Trust must be provided to the beneficiary.

**Grantor Trust** Check this box if the fiduciary is a grantor type trust.

**Final Return** Check this box if this is the final return for the fiduciary.

## Schedule 1

### Computation Of Taxable Income And Tax Of Fiduciary

Before completing Schedule 1, complete all applicable schedules on the back of Form 770.

- Line 1 Federal taxable income of the estate or trust**  
*Resident fiduciaries:*  
 Enter the federal taxable income reported on the federal return.  
*Nonresident fiduciaries:*  
 Enter the taxable income from Schedule 2, Line 8.
- Line 2 Fiduciary's share of Virginia modifications**  
 Enter on Line 2(a) or Line 2(b), the net modifications amount from Schedule 3, Line 11 on the back of the return.  
 If additions include an adjustment for an add back of state and local income tax paid by a pass-through entity for purposes of claiming the Pass-Through Entity Elective Tax Payment Credit, check the box provided on Line 2.  
 The instructions for Schedule 3, Line 11, explain whether the amount should be entered on Line 2(a) or Line 2(b).  
 See Schedule 3, Lines 3 and 8, for amounts on Lines 2FA and 2FS.
- Line 3 Virginia taxable income of fiduciary** Add the amounts reported on Lines 1 and 2(a), or subtract the amount on Line 2(b) from the amount on Line 1, and enter the result on Line 3.
- Line 4 Virginia income tax** Compute the tax on the income reported on Line 3, according to the rate schedule below.

- If Line 3 is **\$3,000 or less**, the tax is 2% of Line 3;
- If Line 3 is **over \$3,000, but not over \$5,000**, the tax is \$60 plus 3% of the excess over \$3,000;
- If Line 3 is **over \$5,000, but not over \$17,000**, the tax is \$120 plus 5% of the excess over \$5,000; or
- If Line 3 is **over \$17,000**, the tax is \$720 plus 5.75% of the excess over \$17,000.

**Line 5 Payments and credits** Enter total payments and credits. Add Lines 5(a) through 5(m) and Lines 5o(iii) through 5(v).

**(a) Virginia income tax withheld** Enter the amount of any Virginia withholding on the wages, salaries or other income of the decedent that was received by the estate. Enclose a copy of Forms W-2, W-2G, 1099-R, VK-1, and/or any other documentation necessary to support the amount claimed. Do not staple enclosures.

**(b) 2024 Estimated tax payments** Enter the amount of any 2024 Virginia estimated tax payments made by the estate or trust, including any overpayment credit applied from the fiduciary's 2023 return. Do not include payments made on behalf of a decedent for individual income tax purposes.

**(c) Extension payments made with Form 770IP** Enter the amount of tentative tax paid with the fiduciary's Form 770IP.

**(d) Credit for tax paid to another state** Enter the credit computed from Form 770, Schedule 4, Line 7. See "Credit for Tax Paid to Another State" in these instructions to see if you qualify for this credit.

**A complete copy of the fiduciary return of any state for which the credit is claimed must be enclosed.**

**(e)-(v)** Complete Schedule 5 on Page 3 of Form 770 to determine the allocations between beneficiaries.

**(e) Neighborhood Assistance Act Tax Credit** Complete the worksheet below and enter the allowable credit from Line 7 on Form 770, Line 5(e).

1. Fiduciary's share of credit ... 1. \_\_\_\_\_
2. Carryover credit from prior year ..... 2. \_\_\_\_\_
3. Subtotal: Add Lines 1 and 2 3. \_\_\_\_\_
4. Tax from Schedule 1, Line 4 4. \_\_\_\_\_
5. Credit for tax paid to another state ..... 5. \_\_\_\_\_
6. Subtract Line 5 from Line 4. 6. \_\_\_\_\_
7. **Allowable 2024 Credit.** Enter the lesser of Line 3 or Line 6 here and on Schedule 1, Line 5(e) ..... 7. \_\_\_\_\_

8. **Carryover to 2025 Form 770.**  
If Line 3 is larger than Line 7,  
enter the difference..... 8. \_\_\_\_\_

**(f) Enterprise Zone Act Tax Credit** This credit expired June 30, 2019. Only Enterprise Zone Real Property Investment Tax Credit carryover amounts from prior years are allowed. Use the worksheet below to determine the carryover amount that can be used on this year's tax return.

1. Credit carried over from prior years.....1. \_\_\_\_\_  
2. Allowable credit: Enter the amount from Line 1 or the maximum credit allowed..... 2. \_\_\_\_\_  
3. Amount to be carried over to next year (subtract Line 2 from Line 1)..... 3. \_\_\_\_\_

**(g) Major Business Facility Job Tax Credit** Enter the fiduciary's credit as computed on Form 304.

**(h) Historic Rehabilitation Tax Credit** Complete the worksheet below and enter the allowable credit.

1. Fiduciary's share of credit  
Enclose certification..... 1. \_\_\_\_\_  
2. Carryover credit from  
prior year ..... 2. \_\_\_\_\_  
3. Subtotal: Add Lines 1 and 2.. 3. \_\_\_\_\_  
4. Tax from Schedule 1, Line 4 .. 4. \_\_\_\_\_  
5. Total of other credits claimed. 5. \_\_\_\_\_  
6. Subtract Line 5 from Line 4. 6. \_\_\_\_\_  
7. **Allowable 2024 Credit.** Enter the lesser of Line 3 or Line 6 here and on Schedule 1, Line 5(h) ..... 7. \_\_\_\_\_  
8. **Carryover to 2025 Form 770.**  
If Line 3 is larger than Line 7,  
enter the difference..... 8. \_\_\_\_\_

**(i)** Line reserved for future use

**(j) Barge and Rail Usage Tax Credit** Complete the worksheet below and enter the allowable credit.

1. Fiduciary's share of credit ... 1. \_\_\_\_\_  
2. Carryover credit from  
prior year ..... 2. \_\_\_\_\_  
3. Subtotal: Add Lines 1 and 2. 3. \_\_\_\_\_  
4. Tax from Sch.1, Line 4..... 4. \_\_\_\_\_  
5. Total of other credits claimed..5. \_\_\_\_\_  
6. Subtract Line 5 from Line 4 .. 6. \_\_\_\_\_  
7. **Allowable 2024 Credit.** Enter the lesser of Line 3 or Line 6 here and on Sch. 1, Line 5(j) . 7. \_\_\_\_\_  
8. **Carryover to 2025 Form 770.**  
If Line 3 is larger than Line 7,  
enter the difference..... 8. \_\_\_\_\_

**(k)** Line reserved for future use

**(l)** Line reserved for future use

**(m) Qualified Equity and Subordinated Debt Investments Tax Credit** Complete the worksheet below and enter the allowable credit.

1. Fiduciary's share of credit ... 1. \_\_\_\_\_  
2. Carryover credit from  
prior year ..... 2. \_\_\_\_\_  
3. Subtotal: Add Lines 1 and 2.. 3. \_\_\_\_\_  
4. Tax from Schedule 1, Line 4.. 4. \_\_\_\_\_  
5. Total of other credits claimed. 5. \_\_\_\_\_  
6. Subtract Line 5 from Line 4 .. 6. \_\_\_\_\_  
7. **Allowable 2024 Credit.** Enter the lesser of Line 3 or Line 6 here and on Sch. 1, Line 5(m)7. \_\_\_\_\_  
8. **Carryover to 2025 Form 770.**  
If Line 3 is larger than Line 7,  
enter the difference..... 8. \_\_\_\_\_

**(n)-(o) Coalfield Employment Enhancement Tax Credit** Enter on Line 5(n)i the fiduciary's credit as computed on Form 306D, Part II, Section 1, Line 1. Enter on Line 5(n)iii the amount you used to allocate the fiduciary's credit share of the Coalfield Employment Enhancement Tax Credit - Full Tax Credit, from Form 306D, Part II, Section 2, Line 3. Enter on Line 5(o)i the amount you used to allocate the fiduciary's share of the Coalfield Employment Enhancement Tax Credit - Excess Tax Credit, from Form 306D, Part II, Section 3, Line 5. Add Lines 5(n)iii and (o)i and enter the total on Line 5o(iii). This is the fiduciary's share of the refundable credit.

**(p)** Line reserved for future use

**(q) Land Preservation Tax Credit** Complete the worksheet below and enter the allowable credit.

1. Fiduciary's share of credit ... 1. \_\_\_\_\_  
2. Carryover credit from  
prior year ..... 2. \_\_\_\_\_  
3. Subtotal: Add Lines 1 and 2. 3. \_\_\_\_\_  
4. Tax from Schedule 1, Line 4.4. \_\_\_\_\_  
5. Total of other credits claimed.5. \_\_\_\_\_  
6. Subtract Line 5 from Line 4. 6. \_\_\_\_\_  
7. **Allowable 2024 Credit.** Enter the lesser of Line 3 or Line 6 here and on Sch. 1, Line 5(q).7. \_\_\_\_\_  
8. **Carryover to 2025 Form 770**  
If Line 3 is larger than Line 7,  
enter the difference..... 8. \_\_\_\_\_

**(r)** Line reserved for future use

**(s) Worker Training Tax Credit** Complete the worksheet below and enter the allowable credit.

1. Fiduciary's credit share ..... 1. \_\_\_\_\_  
2. Carryover credit from  
prior year ..... 2. \_\_\_\_\_  
3. Subtotal: Add Lines 1 and 2. 3. \_\_\_\_\_  
4. Tax from Sch. 1, Line 4. .... 4. \_\_\_\_\_

5. Total of other credits claimed. 5. \_\_\_\_\_
6. Subtract Line 5 from Line 4. 6. \_\_\_\_\_
7. **Allowable 2024 Credit** Enter the lesser of Line 3 or Line 6 here and on Sch. 1, Line 5(s). 7. \_\_\_\_\_
8. **Carryover to 2025 Form 770** If Line 3 is larger than Line 7, enter the difference..... 8. \_\_\_\_\_

**(t) Virginia Housing Opportunity Tax Credit**  
Complete the worksheet below and enter the allowable credit.

1. Fiduciary's credit share ..... 1. \_\_\_\_\_
2. Carryover credit from prior year ..... 2. \_\_\_\_\_
3. Subtotal: Add Lines 1 and 2. 3. \_\_\_\_\_
4. Tax from Schedule 1, Line 4. 4. \_\_\_\_\_
5. Total of other credits claimed. 5. \_\_\_\_\_
6. Subtract Line 5 from Line 4. 6. \_\_\_\_\_
7. **Allowable 2024 Credit** Enter the lesser of Line 3 or Line 6 here and on Sch. 1, Line 5(t). 7. \_\_\_\_\_
8. **Carryover to 2025 Form 770** If Line 3 is larger than Line 7, enter the difference..... 8. \_\_\_\_\_

**(u) Pass-Through Entity Elective Tax Payment Credit** Enter on Line 5(u) the amount of the PTE refundable credit being claimed by the fiduciary.

- Line 5 Total payments and credits** Enter the total of Lines 5(a) through 5(m) and 5o(iii) through 5(u).
- Line 6 Balance due** If the total credits claimed on Line 5 are less than the tax reported on Line 4, subtract Line 5 from Line 4 and enter the result. See the Filing Information section of this instruction book for information on when and where to file your return. You may file and pay electronically or a *check for the balance due, made payable to the Treasurer of the city or county where the return will be filed, must be enclosed with the return. A list of the filing addresses and phone numbers for each city or county is available at the back of these instructions.*
- Line 7 Overpayment** If the total payments and credits claimed on Line 5 exceed the tax reported on Line 4, subtract Line 4 from Line 5 and enter the result on Line 7.
- Line 8 Amount of overpayment to be credited to 2025** Enter the amount of the overpayment to be credited to the fiduciary's 2025 estimated income tax.
- Line 9 Amount to be refunded** Subtract Line 8 from Line 7 and enter the refund amount here.
- Line 10** Reserved for future use.
- Line 11 Amount from Form 760C or Form 760F.** Enter the addition to tax amount from Form 760C or Form 760F and check the box, if applicable.

**Form 760C Or Form 760F**

See the "Addition to Tax" section in these instructions to determine if you owe an addition to tax. If exception 1 or 2 was

met for all quarters, it is not necessary to complete or enclose Form 760C or Form 760F. **If exception 3 or 4 was used to calculate the addition to tax or to determine that you did not owe the addition to tax for any quarter, you must enclose Form 760C and the associated worksheet(s) with the return.**

If Form 760C or Form 760F is enclosed, complete Line 11 of Schedule 1. Enclose a check for the TOTAL amount of income tax due and the addition to tax computed on Form 760C or Form 760F. If your return shows a refund on Line 9, the addition to tax will be deducted from your refund.

**Completing The Return**

**Signature:** The return must be signed by the fiduciary or an authorized officer of the organization receiving or having custody or control of the management of the estate or trust. If two or more individuals act jointly as fiduciaries, the return may be signed by any one of those individuals. You have not filed a complete or legal return unless it has been signed.

**Telephone Numbers:** Telephone numbers where you can be contacted between the hours of 8:30 a.m. and 5:00 p.m. are requested so that a representative of the Department can call you if there is a question about the return.

**When And Where To File And Pay The Tax:** See Page 2 of these instructions for information on when and where to file and pay the tax.

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**Schedule 2**

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**Virginia Taxable Income of a Nonresident Estate or Trust**

On Lines 1 through 3, enter the distributable amount in Column A and the nondistributable amount in Column B.

- Line 1 Income from sources within Virginia** Enter the income from property or businesses located in Virginia to the extent that the income is includable in the computation of federal taxable income.
- Line 2 Federal deductions attributable to income from sources within Virginia** Enter the federal deductions attributable to the income reported on Line 1 above.
- Line 3 Net Virginia source income** Subtract the amount reported on Line 2 from the income reported on Line 1 and enter the result here.
- Line 4 Allocation of Virginia source income** Line 4 is used to report the allocation of income among the fiduciary and the beneficiaries. Income will be allocated to the fiduciary only if the income is accumulated during the taxable year and, as in the case of a complex trust, not all of the income is distributed currently.

Virginia source income must be allocated to each beneficiary based on his or her proportionate share of the federal distributable net income. For example, if 50% of the estate's or trust's federal distributable net income is allocated to a beneficiary from the federal return or Schedule

K-1, then 50% of the net Virginia source income should be allocated to that beneficiary.

Complete the allocation schedule provided on Lines 4(a) through 4(c) or enclose a schedule of computation if more space is needed.

**Line 5 Deduction for distributions to beneficiaries** Enter the amount from Line 4a, Column 4 or Line 4a, Column 2, whichever is less.

**Line 6 Fiduciary's share of Virginia source income** Sum of Line 4b, Column 4 or Line 4b, Column 2, whichever is less, plus Line 4b, Column 5.

**Line 7 Exemption from the federal return** Enter the amount of the federal exemption allowed on the federal return.

**Line 8 Income taxable to fiduciary** Subtract Line 7 from Line 6. Enter the result here and on Schedule 1, Line 1 of Form 770.

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### Schedule 3

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#### Fiduciary's Modifications

Enter the fiduciary's share of each modification on the appropriate line.

#### Conformity Update

##### Virginia's Conformity with the Internal Revenue Code

Effective for taxable years beginning January 1, 2023, Virginia will conform to the Internal Revenue Code (IRC) on a rolling basis, including any federal extenders, subject to certain exceptions. This allows Virginia to conform to federal tax changes to the IRC as soon as they are enacted by Congress. This also allows Virginia to conform to the Inflation Reduction Act and the Consolidated Appropriations Act of 2023.

Conformity refers to how closely Virginia follows definitions and other provisions of the federal tax code, including the definition of income. The 2023 General Assembly passed legislation that conforms Virginia's tax law to the federal tax code on a rolling basis, with certain exceptions. The legislation also sets guidelines for future federal law changes and their impact on Virginia returns.

For additional information regarding Virginia's conformity with the IRC and adjustments that may be required as a result of conformity legislation, visit [www.tax.virginia.gov](http://www.tax.virginia.gov).

Virginia will continue to deconform from the following: bonus depreciation allowed for certain assets under federal law; the five-year carryback of certain federal net operating loss (NOL) deductions generated in the 2008 or 2009 taxable years; the federal income treatment of applicable high yield discount obligations; and the federal income tax treatment of cancellation of debt income realized in connection with certain business debts.

In addition, Virginia will continue to deconform from the following temporary changes made by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act: suspension of certain NOL limitations for Taxable Years 2018, 2019, and 2020 and increasing the business interest limitation

for Taxable Year 2019 and 2020. See Tax Bulletin 21-4 for more information.

At the time these instructions were published, the only required conformity adjustments were those mentioned above. However, if legislation is enacted that results in changes to the IRC for the 2024 taxable year, taxpayers may need to make adjustments to their Virginia returns that are not described in these instructions. Information about any such adjustments will be posted on the Department's website at [www.tax.virginia.gov](http://www.tax.virginia.gov).

#### Part I

#### Additions To Federal Taxable Income

**Line 1 Interest on obligations of other states** Enter the amount of interest, less related expenses to the extent that it was not deducted in determining federal taxable income, on obligations of any state other than Virginia, or of a political subdivision of any such state unless it was created by a compact or agreement to which Virginia is a party.

If the estate or trust received federally exempt dividend income from a regulated investment company (mutual fund) that invested in obligations both taxable and exempt for Virginia purposes, the entire income must be reported unless a statement from the fund is enclosed that:

- details the dividends earned from the fund; and
- summarizes the prorations between exempt and taxable dividends (monthly breakdown preferred).

**Example:** A trust receives dividends from a mutual fund that invests in obligations of Virginia and New York. The interest received from all of the obligations is exempt from federal taxation. The fund provides the following statement:

Dividend payments for 2024   \$4,000  
% of income from NY obligations   60%  
% of income from VA obligations   40%

Based on this information, the trust may exclude 40% or \$1,600 of the income from Virginia taxable income. Therefore, the trust would make an addition for only part of its mutual fund income, \$2,400, and enclose the above statement to support the partial addition.

**Line 2 Income taxes of this state or any other taxing jurisdiction** Enter the amount of income tax imposed by this state or any other taxing jurisdiction to the extent that such taxes were deducted in computing federal taxable income.

#### Line 3 Conformity Additions

**a. Bonus Depreciation** For an explanation, please see the section entitled, *Conformity Update*. Enter the amount that should be added to federal taxable income based upon the recomputation of allowable depreciation.....a \_\_\_\_\_

**b. Other Conformity Additions** If you are required to make any Other Conformity additions

listed in the Conformity Update for 2024 above, enter the total amount of such additions on this line. Also, please enclose a schedule and explanation of such additions...b \_\_\_\_\_

**Enter the total of Lines a and b here and on Form 770, Schedule 1, Line 2FA and Schedule 3, Line 3. ....TOTAL \_\_\_\_\_**

**Line 4 Other additions to federal taxable income**

Enter the following amounts, if applicable, and enclose a schedule of computation with the return:

a. The amount of a lump sum distribution from a qualified retirement plan, less the minimum distribution allowance, and any amount excluded from federal taxable income solely by virtue of a fiduciary's election to use the averaging provisions under IRC § 402.

b. The amount necessary to prevent the deduction of any item properly deductible by the taxpayer in determining a tax under Virginia law prior to 1972.

c. The amount that would be reported under the installment method from certain dispositions of property. If, in a prior year, the taxpayer was allowed a subtraction for certain income from dealer dispositions of property made on or after January 1, 2009, in the years following the year of disposition, the taxpayer is required to add back the amount that would have been reported under the installment method. Each disposition must be tracked separately for purposes of this adjustment.

d. **Federal Partnership Income Addition**  
Income related to certain partnership adjustments that result from federal tax changes and other changes to federal taxable income must be added to the owner's income tax return if the income was not previously reported on the original Virginia return. The amount of the addition is equal to the income that was not included in Virginia taxable income. When reporting this addition, enclose the partnership's completed Form 502FED-1.

e. **Electing Small Business Trust (ESBT) Addition**  
Since Virginia generally taxes all federal taxable income of an estate or trust, ESBT income must be included on the Virginia return. The amount reported for ESBT income should generally equal the amount computed on the federal ESBT Tax Worksheet, Line 13, which is the taxable income (S portion).

f. Other income not included in federal taxable income, but subject to Virginia income tax.

**Line 5 Total Additions** Add Lines 1 through 4 and enter the result.

**Part II**

**Subtractions From Federal Taxable Income**

**Line 6 Income (interest, dividends or gains) from obligations or securities of the U.S. exempt from state income taxes, but not exempt**

**from federal income taxes.** Enter the income derived from obligations or the sale or exchange of obligations of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent that such income is exempt from state income taxes. The amount entered here should include, but is not limited to, qualifying stocks, bonds, treasury bills and treasury notes.

Do not include interest on federal tax refunds, equipment purchase contracts and other normal business transactions.

Only income received from direct obligations of the United States is eligible for the subtraction. A partial list of federal organizations and the Virginia tax status of income received from investments in securities issued by those entities is shown below. The list is based on the Department's analysis of federal and state law as applicable to selected organizations. For organizations not listed below, additional information must be enclosed showing that the interest is exempt from Virginia income tax.

<u>Issuing Organization</u>	<u>Tax Status</u>
Export-Import Bank of the United States.....	Exempt
Federal Home Loan Bank (FHLB).....	Exempt
Federal Home Loan Mortgage Corporation (FHLMC).....	Taxable
Federal Intermediate Credit Bank .....	Exempt
Federal Land Bank.....	Exempt
Federal National Mortgage Association (FNMA).....	Taxable
Government National Mortgage Association (GNMA).....	Taxable
Inter-American Development Bank .....	Taxable
International Bank for Reconstruction & Development.....	Taxable
Student Loan Market Association (SLMA) .....	Exempt
United States Savings Bonds.....	Exempt
United States Treasury Bills, Notes, and Bonds .....	Exempt

If the estate or trust received income from a regulated investment company (mutual fund) that invested in obligations both taxable and exempt for Virginia purposes, the entire income must be reported as taxable unless a statement from the fund is enclosed that:

- details the amount of income earned from the fund; and
- summarizes the prorations between exempt and taxable income (monthly breakdown preferred).

If the estate or trust is provided the information specified above, enter the exempt portion of income.



A copy of the statement from the fund must be enclosed with the return to support the subtraction.

**Line 7 Any state income tax refund or credit reported as "other income" on the federal return** Enter any state income tax refund or credit included in the estate's or trust's income on the federal return.

**Line 8 Conformity Subtractions**

**a. Bonus Depreciation** For an explanation, see the section entitled, *Conformity Update*. Enter the amount that should be subtracted from federal taxable income based upon the recomputation of allowable depreciation. ....a \_\_\_\_\_

**b. Other Conformity Subtractions** If you are required to make any Other Conformity subtractions listed in the Conformity Update for 2024 above, enter the total amount of such subtractions on this line. Also, please enclose a schedule and explanation of such subtractions. ....b \_\_\_\_\_

**Enter the total of Lines a and b here and on Form 770 Schedule 1, Line 2FS and Schedule 3, Line 8.** TOTAL ..... \_\_\_\_\_

**Line 9 Other subtractions from federal taxable income** Enter the following amounts, if applicable, and enclose a schedule of computation with the return.

a. The amount of income on obligations or sales and exchanges of obligations of this state or of any political subdivision or instrumentality of this state included in federal taxable income.

b. The amount of wages or salaries eligible for the federal work opportunity tax credit which was not deducted for federal purposes on account of the provisions of IRC § 280C(a).

c. The amount of Tier 1 Railroad Retirement Act benefits, Tier 2 vested dual benefits and other Railroad Retirement Act benefits, and Railroad Unemployment Insurance Act benefits included in federal taxable income.

d. Transitional modifications provided in *Va. Code* § 58.1-315.

e. A deduction, not to exceed \$4,000 per account per year, for the amount paid or contributed to a prepaid tuition contract or a college savings trust account entered into with the Virginia College Savings Plan. Do not include any amount that was deducted on the federal return.

f. Allows the income from dealer dispositions of property made on or after January 1, 2009, to be recognized under the installment method at the election of the taxpayer, provided that (i) the election relating to the dealer disposition of the property has been made on or before the due date prescribed by law for filing the taxpayer's

income tax return, and (ii) the dealer disposition is in accordance with restrictions and conditions established by the Department.

g. To the extent included in federal taxable income, any amount of gain or income recognized by a taxpayer in connection with the Historic Rehabilitation Tax Credit is allowed as a subtraction on the Virginia return.

h. For taxable years beginning on and after January 1, 2019, taxpayers may claim a subtraction for income attributable to an investment in a Virginia real estate investment trust made on or after January 1, 2019 but before December 31, 2024.

In order for the subtraction to be claimed on the investors' income tax returns, the real estate investment trust in which they invest must be certified by the Department as a Virginia real estate investment trust for the taxable year during which the investment was made. If the fund is approved, a 9-digit certification number will be provided. Enclose a statement to the return including the "Certification Number" when claiming this subtraction.

No subtraction is allowed to an individual taxpayer: for an investment in a company that is owned or operated by a family member or affiliate of the taxpayer; who claimed the subtraction for certain long-term capital gains for the same investment; or who claimed the Qualified Equity and Subordinated Debt Investments Tax Credit for the same investment.

i. For taxable years beginning on or after January 1, 2019, taxpayers may claim a subtraction for any gain recognized from the taking of real property by condemnation proceedings.

**j. Federal Partnership Income Subtraction** Income related to certain partnership adjustments that result from federal tax changes and other changes to federal taxable income may be subtracted from Virginia taxable income if the income was previously reported on the owner's Virginia return. The amount of the subtraction is equal to the federal taxable income that was included in the owner's Virginia original income tax return but should not have been reported. When claiming this subtraction, include a copy of the partnership's Form 502FED-1.

k. Other income included in federal taxable income, but exempt from Virginia income tax.

**Line 10 Total subtractions** Add Lines 6 through 9 and enter the total here.

**Line 11 Net Virginia modifications** Subtract Line 10 from Line 5 and enter the difference here and

**If Line 5 is larger than Line 10,**  
*Enter the amount from Line 11 on Line 2(a) of Schedule 1. This is a net ADDITION.*

If **Line 5** is not larger than **Line 10**,  
Enter the amount from **Line 11** on **Line 2(b)**  
of **Schedule 1**. This is a net **SUBTRACTION**.

### Net Virginia Modifications Allocated to the Beneficiaries

Each beneficiary must be provided a statement of income and modifications for use in completing the individual income tax return. See "Allocation of Income to Beneficiaries" in the General Information section of these instructions for more information.

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## Schedule 4

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### Computation Of Credit For Tax Paid To Another State

If a credit is being claimed for taxes paid by the fiduciary to another state, complete Lines 1 through 7 of Schedule 4 on Form 770 to compute the allowable credit. See "Credit For Tax Paid To Another State" in these instructions for more information. A complete copy of the return filed with any state for which a credit is claimed must be enclosed. If a credit is being claimed for taxes paid to more than 1 other state, a separate computation must be enclosed for each state (following the format of Form 770, Schedule 4).

**Line 1** **Qualifying taxable income reported on another state's return**

**Resident Estate or Trust:** Enter the total taxable income from the following categories that apply to you, to the extent that the income was derived from sources outside Virginia and the income was subject to tax by both Virginia and another state:

- Earned or business income;
- Gain from the sale of any capital asset not used in a trade or business, including a residence; and
- Income on which corporation income tax was paid to a state that does not recognize the federal Schedule S Corporation election.

If nonqualifying income is included in the taxable income of the other state, recompute the qualifying taxable income and qualifying tax liability with that income removed.

**Nonresident Estate or Trust:** Enter the total taxable income to the extent that the income was taxed by the resident state (Arizona, California, the District of Columbia, or Oregon). Qualifying taxable income includes the total taxable income reported on the resident return, not just the income derived from Virginia sources.

**Line 2** **Virginia taxable income** Enter the taxable income from Schedule 1, Line 3 of Form 770.

**Line 3** **Qualifying income tax paid to another state** Enter the income tax paid to another state. Also enter the name of the other state.

**Note:** If you are a resident estate or trust, ensure that only state income tax paid on earned, business, and capital gain income is included on this line.

**Line 4** **Virginia income tax** Enter the tax from Schedule 1, Line 4 of Form 770.

**Line 5** **Allowable percentage for credit**  
**Resident Estate or Trust:** Divide Line 1 by Line 2, and enter the result to 1 decimal place (example: 10.5%). Do not enter more than 100%.

**Nonresident Estate or Trust:** Divide Line 2 by Line 1, and enter the result to 1 decimal place (example: 10.5%). Do not enter more than 100%.

**Line 6** **Resident Estate or Trust:** Multiply Line 5 by Line 4.

**Nonresident Estate or Trust:** Multiply Line 5 by Line 3.

**Line 7** **Allowable credit**  
**Resident Estate or Trust:** Enter the smaller amount from Line 3 or Line 6.

**Nonresident Estate or Trust:** Enter the smaller amount from Line 4 or Line 6. Also enter this amount on Line 5(d) of Schedule 1.

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## Schedule 5

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### Beneficiary's Information (Schedule K-1 Equivalent)

#### General Information

Schedule 5 is used to report the beneficiary's share of income, deductions, credits, and other items from a trust or a decedent's estate. The fiduciary (or one of the joint fiduciaries) must prepare Schedule 5 for each beneficiary having a beneficial interest in the trust or estate at any time during the taxable year. Copies of the schedule are required to be filed with Form 770. A copy must also be provided to each beneficiary by the fiduciary.

#### Line By Line Instructions

Complete the information in the sections at the top of Schedule 5. If the return is for a period other than January 1 to December 31 of the taxable year shown on your return, indicate the fiscal beginning and ending dates in the space provided. The taxable period of your Virginia return must be the same as that of your federal return. It is important that the names, addresses, Social Security Number and Federal Employer Identification Number (FEIN) are entered correctly. **Do NOT use the decedent's social security number or the preparer's FEIN as the estate's or trust's FEIN.**

If the estate or trust has not received its FEIN, write "Applied For" in the appropriate box and notify the **Department of Taxation** in writing at **P. O. Box 1115, Richmond, VA 23218-1115** as soon as the FEIN is received.

**Line 1** **Federal Distributable Net Income**  
**a. Federal Taxable Income** Enter the beneficiary's share of federal taxable income from Schedule 1, Line 1.

**b. Beneficiary's Federal Distribution Percentage** Enter the beneficiary's federal distribution percentage (enter the result to 6 decimal places).

**c. Estate or Trust Federal Distribution Percentage**

Enter the estate or trust federal distribution percentage (enter the result to 6 decimal places).

**Line 2 Beneficiary's Additions**

Enter on Lines 2a-2d as indicated on Schedule 5 the beneficiary's share of the Virginia additions to federal taxable income.

**Line 2e Total Additions** Add Lines 2a through 2d.

**Line 3 Beneficiary's Subtractions**

Enter on Lines 3a-3d as indicated on Schedule 5 the beneficiary's share of the Virginia subtractions from federal taxable income.

**Line 3e Total Subtractions** Add Lines 3a through 3d.

**Line 4 Net Virginia Modifications** Subtract Line 3e from Line 2e.

**Line 5 Credit Allocation Information**

Enter on Lines 5a-5o as indicated on Schedule 5 the beneficiary's distributive share of tax credits.

**Line 5p Total Credits** Add Lines 5b through 5g and 5k through 5o.

**Line 6 Nonresident Beneficiary Information**

**a. Virginia source income.** If the beneficiary is a nonresident, enter the Virginia source income.

**b. Virginia modifications as if a Virginia resident.** If the beneficiary is a nonresident, enter the Virginia modifications as if a Virginia resident.



# 2024 Income Tax Return Mailing Addresses and Locality Codes

You may mail your income tax return to your Commissioner of the Revenue at the address below or directly to the Department of Taxation at the addresses listed at the bottom of the next page.

\* DENOTES DIRECTOR OF FINANCE

\*\* DENOTES DIRECTOR, DEPARTMENT OF TAX ADMINISTRATION

## COUNTIES AND CITIES

### Accomack County – 001

P.O. Box 186, Accomac, VA 23301  
757-787-5747

### Albemarle County \* - 003

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
434-296-5855

### Alexandria City\* - 510

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-746-4800

### Alleghany County - 005

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-863-6640

### Amelia County - 007

P.O. Box 269, Amelia Court House, VA 23002  
804-561-2158

### Amherst County - 009

P.O. Box 719, Amherst, VA 24521  
434-946-9310

### Appomattox County - 011

P.O. Box 125, Appomattox, VA 24522  
434-352-7450

### Arlington County - 013

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-228-4017

### Augusta County - 015

P.O. Box 959, Verona, VA 24482  
540-245-5640

### Bath County - 017

P.O. Box 130, Warm Springs, VA 24484  
540-839-7231

### Bedford County - 019

122 E. Main St., Suite 103, Bedford, VA 24523  
540-586-7621

### Bland County - 021

P.O. Box 130, Bland, VA 24315  
276-688-4291

### Botetourt County - 023

57 S. Center Dr., Daleville, VA 24083  
540-928-2050

### Bristol City - 520

497 Cumberland St., Room 101, Bristol, VA 24201  
276-645-7316

### Brunswick County - 025

P.O. Box 669, Lawrenceville, VA 23868  
434-848-2313

### Buchanan County - 027

P.O. Box 1042, Grundy, VA 24614  
276-935-6542

### Buckingham County - 029

P.O. Box 138, Buckingham, VA 23921  
434-969-4972

### Buena Vista City - 530

2039 Sycamore Ave., Buena Vista, VA 24416  
540-261-8611

### Campbell County - 031

85 Carden Ln., Ste. C, Rustburg, VA 24588  
434-332-9518

### Caroline County - 033

P.O. Box 819, Bowling Green, VA 22427  
804-633-9834

### Carroll County - 035

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-730-3080

### Charles City County - 036

10780 Courthouse Road, Charles City, VA 23030  
804-652-2163

### Charlotte County - 037

P.O. Box 308, Charlotte C.H., VA 23923  
434-542-5546

### Charlottesville City - 540

P.O. Box 2964, Charlottesville, VA 22902 -2964  
434-970-3160

### Chesapeake City - 550

P.O. Box 15285, Chesapeake, VA 23328  
757-382-6455

### Chesterfield County - 041

P.O. Box 124, Chesterfield, VA 23832  
804-748-1281

### Clarke County - 043

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-955-5108

### Colonial Heights City - 570

P. O. Box 3401, Colonial Heights, VA 23834  
804-520-9280

### Covington City - 580

P.O. Drawer 58, Covington, VA 24426  
540-965-6350

### Craig County - 045

P.O. Box 186, New Castle, VA 24127  
540-864-6241

### Culpeper County - 047

P.O. Box 1807, Culpeper, VA 22701  
540-727-3443

### Cumberland County - 049

P.O. Box 77, Cumberland, VA 23040  
804-492-4280

### Danville City - 590

P.O. Box 480, Danville, VA 24543  
434-799-5145

### Dickenson County - 051

P.O. Box 1067, Clintwood, VA 24228  
276-926-1646

### Dinwiddie County - 053

P.O. Box 104, Dinwiddie, VA 23841  
804-469-4500

### Emporia City - 595

P.O. Box 956, Emporia, VA 23847  
434-634-5405

### Essex County - 057

P.O. Box 879, Tappahannock, VA 22560  
804-443-4737

### Fairfax City - 600

City Hall, Rm. 224, 10455 Armstrong St.  
Fairfax, VA 22030  
703-385-7885

### Fairfax County \*\* - 059

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-222-8234

### Falls Church City - 610

300 Park Ave., # 202W  
Falls Church, VA 22046  
703-248-5450

### Fauquier County - 061

P.O. Box 149, Warrenton, VA 20188-0149  
540-422-8166

### Floyd County - 063

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-745-9345

### Fluvanna County - 065

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
434-591-1940

### Franklin City - 620

207 West Second Ave., Franklin, VA 23851  
757-562-8552

### Franklin County - 067

1255 Franklin St., Ste. 102, Rocky Mt., VA 24151  
540-483-3083

### Frederick County - 069

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-665-5681

### Fredericksburg City - 630

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-372-1004

### Galax City\* - 640

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-236-2528

### Giles County - 071

130 N. Main St., Pearisburg, VA 24134  
540-921-3321

### Gloucester County - 073

6489 Main St., Suite 137, Gloucester, VA 23061  
804-693-3451

### Goochland County - 075

P.O. Box 60, Goochland, VA 23063  
804-556-5807

### Grayson County - 077

P.O. Box 126, Independence, VA 24348  
276-773-2381

### Greene County - 079

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
434-985-5211

### Greensville County - 081

1781 Greensville County Circle, Room 132,  
Emporia, VA 23847  
434-348-4227

### Halifax County - 083

P.O. Box 1847, Halifax, VA 24558  
434-476-3314

### Hampton City - 650

P.O. Box 636, Hampton, VA 23669-0636  
757-727-6690

### Hanover County - 085

P.O. Box 129, Hanover, VA 23069  
804-365-6129

### Harrisonburg City - 660

409 S Main St., Harrisonburg, VA 22801-3610  
540-432-7704

### Henrico County \* - 087

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-501-4263

### Henry County - 089

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-634-4690

### Highland County - 091

P.O. Box 148, Monterey, VA 24465  
540-468-2142

### Hopewell City - 670

P.O. Box 1604, Hopewell, VA 23860  
804-541-2238

### Isle of Wight County - 093

P.O. Box 107, Isle of Wight, VA 23397-0107  
757-365-6272

### James City County - 095

P.O. Box 283, Williamsburg, VA 23187  
757-253-6695

### King and Queen County - 097

P.O. Box 178, King & Queen Courthouse, VA 23085  
804-785-5976

### King George County - 099

10459 Courthouse Dr., Suite 101,  
King George, VA 22485-3865  
540-775-4664

### King William County \* - 101

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-769-4941

### Lancaster County - 103

8311 Mary Ball Rd., Room 203, Lancaster, VA 22503  
804-462-7920

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**COUNTIES and CITIES (CONTINUED)**

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**Lee County - 105**

P.O. Box 96, Jonesville, VA 24263  
276-346-7722

**Lexington City - 678**

P.O. Box 920, Lexington, VA 24450  
540-462-3701

**Loudoun County - 107**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-777-0260

**Louisa County - 109**

1 Woolfolk Ave. Ste. 203, Louisa, VA 23093  
540-967-3432

**Lunenburg County - 111**

11512 Courthouse Rd., Ste. 101, Lunenburg, VA 23952  
434-696-2516

**Lynchburg City - 680**

P.O. Box 858, Lynchburg, VA 24505-0858  
434-455-3870

**Madison County - 113**

P.O. Box 56, Madison, VA 22727  
540-948-4421

**Manassas City - 683**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-257-8222

**Manassas Park City - 685**

100 Park Central Plaza, Ste. 303  
Manassas Park, VA 20111  
703-335-8825

**Martinsville City - 690**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-403-5131

**Mathews County - 115**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-725-7168

**Mecklenburg County - 117**

P.O. Box 360, Boydton, VA 23917  
434-738-6191

**Middlesex County - 119**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-758-5331

**Montgomery County - 121**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-382-5710

**Nelson County - 125**

P.O. Box 246, Lovingston, VA 22949  
434-263-7070

**New Kent County - 127**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-966-9610

**Newport News City - 700**

2400 Washington Ave., Newport News, VA 23607  
757-926-8653

**Norfolk City - 710**

P.O. Box 2260, Norfolk, VA 23501-2260  
757-664-7885

**Northampton County - 131**

P.O. Box 65, Eastville, VA 23347  
757-678-0446

**Northumberland County - 133**

P.O. Box 309, Heathsville, VA 22473  
804-580-4600

**Norton City - 720**

P.O. Box 347, Norton, VA 24273  
276-679-0031

**Nottoway County - 135**

P.O. Box 5, Nottoway, VA 23955  
434-645-9317

**Orange County - 137**

P.O. Box 389, Orange, VA 22960  
540-672-4441

**Page County - 139**

103 S. Court St., Suite C, Luray, VA 22835  
540-743-3840

**Patrick County - 141**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
276-694-7131

**Petersburg City - 730**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-733-2315

**Pittsylvania County - 143**

P.O. Box 272, Chatham, VA 24531-0272  
434-432-7940

**Poquoson City - 735**

500 City Hall Ave., Poquoson, VA 23662  
757-868-3020

**Portsmouth City - 740**

801 Crawford St., Portsmouth, VA 23704  
757-393-8773

**Powhatan County - 145**

3834 Old Buckingham Rd., Ste. C,  
Powhatan, VA 23139  
804-598-5616

**Prince Edward County - 147**

P.O. Box 446, Farmville, VA 23901  
434-392-3231

**Prince George County - 149**

P.O. Box 155, Prince George, VA 23875  
804-722-8740

**Prince William County\* - 153**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
703-792-6710

**Pulaski County - 155**

52 West Main Street, Ste. 200, Pulaski, VA 24301  
540-980-7750

**Radford City - 750**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-731-3613

**Rappahannock County - 157**

P.O. Box 115, Washington, VA 22747  
540-675-5370

**Richmond City - 760**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
804-646-6474

**Richmond County - 159**

P.O. Box 366, Warsaw, VA 22572  
804-333-3722

**Roanoke City - 770**

P.O. Box 718, Roanoke, VA 24004  
540-853-6543

**Roanoke County - 161**

P.O. Box 21709, Roanoke, VA 24018  
540-772-2049

**Rockbridge County - 163**

P.O. Box 1160, Lexington, VA 24450  
540-463-3431

**Rockingham County - 165**

20 E. Gay St., Harrisonburg, VA 22802  
540-564-3000

**Russell County - 167**

137 Highland Dr., Ste. C, Lebanon, VA 24266  
276-889-8018

**Salem City - 775**

P.O. Box 869, Salem, VA 24153  
540-375-3019

**Scott County - 169**

190 Beech Street, Suite 206, Gate City, VA 24251  
276-386-7692

**Shenandoah County - 171**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-459-6170

**Smyth County - 173**

P. O. Box 985, Marion, VA 24354  
276-782-4040

**Southampton County - 175**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
757-653-3030

**Spotsylvania County - 177**

P.O. Box 175, Spotsylvania, VA 22553  
540-507-7054

**Stafford County - 179**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-658-4132

**Staunton City - 790**

P.O. Box 4, Staunton, VA 24402-0004  
540-332-3829

**Suffolk City - 800**

P.O. Box 1459, Suffolk, VA 23439  
757-514-4260

**Surry County - 181**

P.O. Box 35, Surry, VA 23883  
757-294-5225

**Sussex County - 183**

P.O. Box 1398, Sussex County, VA 23884  
434-246-1030

**Tazewell County - 185**

135 Court St., Suite 301, Tazewell, VA 24651-0020  
276-385-1235

**Virginia Beach City - 810**

2401 Courthouse Dr., Bldg. 1,  
Virginia Beach, VA 23456  
757-385-4483

**Warren County - 187**

Refund: P.O. Box 1498, Richmond, VA 23218-1498  
Tax Due: P.O. Box 760, Richmond, VA 23218-0760  
540-635-2651

**Washington County - 191**

1 Government Center Place, Ste. C,  
Abingdon, VA 24210  
276-676-6270

**Waynesboro City - 820**

503 W. Main St., Ste. 107, Waynesboro, VA 22980  
540-942-6610

**Westmoreland County - 193**

P.O. Box 68, Montross, VA 22520  
804-493-0113

**Williamsburg City - 830**

P.O. Box 245, Williamsburg, VA 23187  
757-220-6150

**Winchester City - 840**

21 South Kent St., Ste. 100, Winchester, VA 22601  
540-667-1815

**Wise County - 195**

P.O. Box 1278, Wise, VA 24293  
276-328-3556

**Wythe County - 197**

290 South Sixth Street, Ste. 275, Wytheville, VA 24382  
276-223-6015

**York County - 199**

P.O. Box 190, Yorktown, VA 23690  
757-890-3381

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You may mail your income tax return directly to the Department of Taxation at the addresses listed below or to your Commissioner of the Revenue at the above address.

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**REFUND RETURNS**  
**Virginia Department of Taxation**  
**P.O. Box 1498**  
**Richmond, VA 23218-1498**

**TAX DUE RETURNS**  
**Virginia Department of Taxation**  
**P.O. Box 760**  
**Richmond, VA 23218-0760**