

Instructions For Preparing
PART-YEAR RESIDENT

Form 760PY

Virginia Individual Income Tax

Return For 2009



Commonwealth Of Virginia

Department Of Taxation

Richmond, Virginia

TABLE OF CONTENTS

What's New	2
How To Get Forms And Assistance	3
Visit Our Website.....	3
How to Contact Us	3
Tele-Tax.....	3
Where to Get Forms.....	3
Check The Status of Your Refund.....	3
Taxpayer Bill of Rights.....	3
General Information	4
Estimated Income Tax Filing	4
Civil and Criminal Penalties	4
Amended Return Filing	4
Deceased Taxpayers.....	4
Recordkeeping	5
Filing Requirements	5
Filing Threshold.....	5
Residency Status	5
Which Form to File.....	6
When to File	7
Where to File.....	7
Balance Due Returns.....	7
Debt Collection Act.....	8
Avoid Common Mistakes	8
How to Assemble Your Return	8
Compute Your Lowest Tax	8
Form 760PY Line Instructions – Page 1	8
Name, Address and Social Security Number (SSN)	8
Check Boxes	9
Filing Status	9
Exemptions	10
Form 760PY Line Instructions – Page 2	13
Part I - Schedule of Income and Adjustments	13
Part II - Additions to Federal Adjusted Gross Income	13
Part III - Subtractions from Federal Adjusted Gross Income.....	14
Part IV - Standard Deduction	17
Part V - Itemized Deduction	17
Line Instructions for Schedule NPY	19
Part I - Age Deduction.....	19
Age 65 and Older Income-Based Age Deduction Worksheet	20
Part II - Deductions from Virginia Adjusted Gross Income.....	21
Part III - Computation for Tax Credit for Low Income Individuals or Virginia Earned Income Credit.....	22
Part IV - Credit for Tax Paid to Another State.....	23
Part V - Addition to Tax, Penalty and Interest.....	24
Part VI - Contributions and Consumer's Use Tax.....	24
Mailing Addresses and Telephone Numbers	Back Cover

WHAT'S NEW

Advancement of Virginia's Fixed Date Conformity with the Internal Revenue Service: At the time these instructions went to print, Virginia's fixed date of conformity with the Internal Revenue Code was December 31, 2008. If you anticipate being required to make adjustments to your Virginia return as a result of changes made by the United States Congress to the Internal Revenue Code for the 2009 taxable year, you may wish to delay the filing of your Virginia tax return until action has been taken by the General Assembly to adjust the date of conformity.




Voluntary Contributions: For 2009, there are two new voluntary contributions: Celebrating Special Children, Inc. and Public Library Foundations. See the Voluntary Contribution section in the instructions for additional information.

New Subtraction for 2009: Gains from Land Preservation – Allows a subtraction for the amount of federal gain or income recognized as a result of the sale of Land Preservation credits.

New Deduction for 2009: Income from Dealer Disposition of Property - Allows an adjustment for certain income from dealer dispositions of property made on or after January 1, 2009.

Land Preservation Tax Credit: The amount of Land Preservation Credits that may be claimed on income tax returns has been reduced from \$100,000 per taxpayer to \$50,000 per taxpayer effective for credits claimed for taxable years beginning on and after January 1, 2009, but before January 1, 2011. The carryover period has been extended by two years for those affected by this limitation. This reduction in the amount of credit that can be claimed on the return does not reduce the amount of credit that may be earned or held by the taxpayer.

New Federal Banking Regulations: New federal banking regulations have imposed additional reporting requirements on all electronic banking transactions that directly involve a financial institution outside of the territorial jurisdiction of the United States at any point in the process. These are called International ACH Transactions (IAT). At present, TAX does not support IAT. If an international transaction is processed by TAX as a domestic transaction, it may be rejected by your bank, subjecting you to late penalties. By instructing TAX to process your electronic banking transaction, you are certifying that your transaction does not directly involve a financial institution outside of the territorial jurisdiction of the United States at any point in the process. If your transaction is IAT, you will need to make payment using a paper check or by ACH Credit. For information about ACH Credit, please refer to TAX's EFT Guide.

 <p>Saving for college with the Virginia College Savings Plan makes good sense. Earnings grow tax free and you can use your savings at colleges throughout the country. Contact us to find out how to begin saving for tomorrow—today!</p> <p>Call toll free 1-888-567-0540 or visit the web site at www.Virginia529.com</p>		Virginia Prepaid Education Program™
	Virginia Education Savings Trust™	
		College America™
	College Wealth™	

HOW TO GET FORMS AND ASSISTANCE

VISIT OUR WEBSITE

www.tax.virginia.gov

- Check the status of your refund
- Make your Virginia extension payment
- Use the on-line tax calculator
- Make Virginia estimated payments
- Access the Tax Policy Library
- Use *Web Payments* to pay on-line
- Access publications and bulletins
- Use the expanded tax table
- Access forms and instructions
- E-mail Customer Services
- Live Chat
- e-Subscription



HOW TO CONTACT US

Send a secure e-mail. Log on to our iFile Secure Message Center at www.tax.virginia.gov to make confidential inquiries and receive answers to your account questions without ever having to call or write us. While traditional or non-secure e-mail is still available, please do not send account specific information by this method.

Visit or call your local Commissioner of the Revenue, Director of Finance, Director of Tax Administration, or the Virginia Department of Taxation for information, forms and return preparation assistance.

For the location nearest you, look up the name of your city or county on the back cover of this booklet and call the phone number listed.

Requests for information may be addressed to:

Virginia Department of Taxation
P. O. Box 1115
Richmond, VA 23218-1115
(Do not mail your return to this address.)

You can speak with a Virginia Department of Taxation Customer Service Representative between 8:00 a.m. and 5:00 p.m. on normal business days by calling:

804-367-8031

If you are hearing impaired and have TDD equipment, you can call:

804-367-8329

Tenemos servicios disponible en Español.

TELE-TAX

If you have a touch-tone phone, you can access recorded tax information 24 hours a day by calling:

804-367-2486



WHERE TO GET FORMS

Download forms by computer at this address:

www.tax.virginia.gov

You can pick up forms at these offices:

Commissioner of the Revenue
Director of Finance
Director of Tax Administration
Virginia Department of Taxation



Call this phone number to order forms:

804-440-2541

Order forms by mail at this address:

Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

CHECK THE STATUS OF YOUR REFUND

If you requested a refund on the return you filed this year, you can call to check if the refund has been issued. This service is available 24 hours a day. Make sure you have a copy of your return available when you call:



804-367-2486

or

You can check your refund status at www.tax.virginia.gov.

TAXPAYER BILL OF RIGHTS

The Virginia Department of Taxation's mission is to serve our customers by delivering an efficient, courteous, confidential and equitable tax revenue system to Virginia's citizens.

The 1996 General Assembly enacted the Virginia Taxpayer Bill of Rights to ensure protection of taxpayers' rights in the tax determination and collection processes administered by the Department of Taxation.

Our goal is to ensure that your rights are protected in all state tax assessment, audit and collections procedures, so that you will have the highest confidence in the integrity of our tax system.

For details, request the Virginia Taxpayer Bill of Rights publication. This brochure is available from any of the locations listed above for obtaining forms.

GENERAL INFORMATION

ESTIMATED INCOME TAX FILING

If you did not have enough income tax withheld, you may need to pay estimated income tax. Generally, you are required to make payments of estimated income tax if your estimated Virginia tax liability exceeds your Virginia withholding and other tax credits by more than \$150.

To make estimated tax payments, file Form 760ES or visit www.tax.virginia.gov.

If you owe a large amount of tax, you may need to increase the amount of tax withheld or make estimated tax payments during the year.

You may be penalized if you underpaid your estimated tax or did not have enough tax withheld.

CIVIL AND CRIMINAL PENALTIES

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

Any individual who willfully fails or refuses to file a return, at the time or times required by law, shall be guilty of a Class 1 misdemeanor. In addition, an individual who makes any false statements on a return, with intent to defraud the Commonwealth, shall be guilty of a Class 6 felony.

AMENDED RETURN FILING

When to File

If you file an amended federal return reflecting a change in your taxable income or any other amount that would affect the Virginia return, you must file an amended Virginia tax return within one year. 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 one year.

If the change reduces the tax, the Department of Taxation by law may issue a refund only if the amended return is filed within:

- three years from the due date of the original return, including valid filing extensions;
- one year from the final determination of the amended federal return or federal change, whichever is later, provided that the allowable refund is not more than the decrease in Virginia tax attributable to the federal change or correction;
- one 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 taxpayer previously claimed a credit for such tax on his Virginia tax return and that the refund does not exceed the amount of the decrease in Virginia tax attributable to such change or correction;
- two years from the filing of an amended Virginia return resulting in the payment of additional tax, provided that the current amended return raises issues relating solely to the prior amended return and that the refund does not exceed the amount of the tax payment made as a result of the prior amended return; or
- two 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.

Form 760PY

To amend Form 760PY, complete a new Form 760PY (for the tax year you are amending) using the corrected figures, as if it were the original return. Check the amended box on the top left of the return. Do not make any adjustments to the amended return to show that you received a refund or paid a balance due as a result of the original return.

Required Attachments

If you filed an amended federal return, attach a copy of your federal Form 1040X or other claim form and supporting material to your amended Virginia return to substantiate the amendment. If amending your Virginia return for other reasons, attach a statement to explain why you are amending your return. Show any computations necessary to verify the adjustments you are making. Staple your check or money order to the bottom left corner of your return if you owe a balance due. Also, staple to your return any additional Forms W-2, 1099 or VK-1 if claiming more income tax withheld than what was claimed on your original return.

Federal Adjustments

If your federal income tax return was adjusted by the Internal Revenue Service during the taxable year and the adjustment was not reported to the Virginia Department of Taxation, an amended Virginia return must be filed with a copy of the federal adjustments attached within one year after the final determination of such federal change, correction or renegotiation. See “When to File” earlier in this section for additional information.

Net Operating Losses

Although there is no express statutory provision for a separate Virginia net operating loss available for carryback or carryover, the amount of federal net operating loss is the starting point in computing the amount of deduction to be allowed on the Virginia return. Check the amended return box located on the front of Form 760PY, indicating that this is an amended return. Also, check the box indicating the return is the result of a net operating loss (NOL) carryback. Be sure to attach a complete copy of your federal amended return, if applicable.

General instructions for computing the NOL can be obtained from our website at www.policylibrary.tax.virginia.gov/OTP/policy.nsf. Go to the Virginia Tax Administrative Code section and select 23VAC10-110-80 and 23VAC10-110-81 located in Chapter 110, Individual Income Tax.

DECEASED TAXPAYERS

Use the following instructions to file properly and ensure the refund is addressed to the surviving spouse or personal representative.

Single filers: You must list the filer’s name and Social Security Number and check the box on Page 2 for Primary Taxpayer Deceased. Include a copy of the federal Form 1310 and/or the appropriate court appointment papers.

Joint filers: If one filer is deceased, names and Social Security Numbers of both filers must be listed. Check the box on Page 2 to indicate the deceased filer. Use the Primary Taxpayer Deceased box if the filer in the Your name and Social Security Number fields is deceased. Use the Spouse Deceased box if the filer in the Spouse name and Social Security Number fields is deceased.

If completing a return for joint filers with both filers deceased, the name and Social Security Number of each filer must be

listed. Check the deceased box on Page 2. Include a copy of the federal Form 1310 and/or the appropriate court appointment papers.

RECORD KEEPING

Keep your tax records for at least three years from the due date of the return or the date the return was filed, whichever is later. If the Internal Revenue Service requires you to keep your federal records for a longer period of time, keep your state records for the same period of time.

FILING REQUIREMENTS

FILING THRESHOLD

Filing requirements are based on your residency status and the amount of your income. Dependents and students are subject to the same filing requirements as anyone else.

- Residents of Virginia with income at or above the minimum filing threshold must file.
- Nonresidents of Virginia with income at or above the filing threshold must file if any of their income is from Virginia sources.

For information on Virginia residency requirements, please read the next section, “Residency Status.”

If your Virginia Adjusted Gross Income (VAGI) is at or above the threshold amount shown in the following table, you are required to file. VAGI is the Adjusted Gross Income on your federal return plus any Virginia additions, minus any Virginia subtractions. Information on Virginia additions and subtractions is included in the instructions for Lines 33 - 45 of Form 760PY, later in this book.

For a part-year resident, if your income is only from wages, salaries and interest from a savings or checking account, your VAGI is usually the same as the Adjusted Gross Income shown on your federal return less the wages, salaries and interest earned while a nonresident of Virginia. Once you have computed your VAGI, check the chart below to see if you need to file a Virginia income tax return.

YOU DO NOT HAVE TO FILE IF YOU ARE:

Single and your VAGI is less than\$11,250

Married filing with your spouse
on the same return and your
combined VAGI is less than\$22,500

Married filing separately (on separate
forms) and your VAGI is less than\$11,250

If you are not required to file, but you had Virginia income tax withheld, you are entitled to a refund of the amount withheld. You must file a return to get a refund. We periodically review and update our records to make sure that we have correct return information. Sometimes, we have to contact taxpayers to confirm that they did not need to file for a given year. As a result, even if you do not need to file a return, you may receive an inquiry at a later date to verify your VAGI.

RESIDENCY STATUS

Residents

Every Virginia resident whose Virginia Adjusted Gross Income is at or above the minimum filing threshold must file. Any “federal area” such as a military or naval reservation, federal agency or federal administration that is inside the geographical boundaries of Virginia is considered a location in Virginia and nonactive duty

residents of those areas are subject to Virginia income tax just like residents of any other location in the state.

You may be required to file as a resident in two states if you are an actual resident of one state and a domiciliary resident of another state. (See definitions below.) If you are in this situation, you may be able to take a credit on the return filed in the state of your legal domicile. Refer to the instructions for Line 18(f) of Form 760PY for information on credit for tax paid to another state.

Domiciliary Residents

Anyone who maintains a legal domicile (residence) in Virginia, whether living in or out of Virginia, is a domiciliary resident. This includes members of the U.S. armed forces who have Virginia as their home of record. Domiciliary residents have their permanent place of residence in Virginia. Any person who has not abandoned his or her legal domicile in Virginia and established legal domicile in another state remains a domiciliary resident of Virginia, even if residing in another jurisdiction for a number of years. In determining domicile, we consider many factors. Some of the more common indicators of domicile are: voter registration; motor vehicle and personal property registration; business pursuits; expressed intent; conduct; leaseholds and sites of real property owned.

Actual Residents

Anyone, other than a member of the U.S. armed forces or the U.S. Congress, who maintains a place of abode (i.e., home) in Virginia for a total of more than 183 days of the taxable year while having legal domicile (residence) in another state or country is an actual resident of Virginia. This category often includes students who are domiciliary residents of another state while attending college in Virginia or the spouses and dependents of members of the U.S. armed forces stationed in Virginia. Although this residency classification does not apply to members of the U.S. Congress, it does apply to members of their families and staffs.

Part-Year Residents

You may be a part-year resident if your residency in Virginia began or ended during the taxable year. Residents who move into or out of Virginia during the taxable year and do not fall into either category below are generally considered full-year residents.

- Virginia residents who move out of Virginia during the taxable year *and* become domiciliary residents of another state are part-year residents, provided they do not move back to Virginia for at least six months.
- Those who move into Virginia during the taxable year and become either domiciliary or actual residents of Virginia are also considered part-year residents.

The distinction between full-year and part-year residents is important in deciding which form to file and what income is taxable in Virginia. To compute VAGI and determine if VAGI meets the minimum filing threshold, part-year residents who file Form 760PY are allowed a subtraction from federal adjusted gross income equal to the amount of income attributable to residence outside Virginia.

If you are a part-year resident and you do not file the correct form, you will not compute the correct amount of tax. See “WHICH FORM TO FILE” on Page 6.

Nonresidents

Nonresidents of Virginia with Virginia Adjusted Gross Income at or above the filing threshold must file if any of their income is from Virginia sources. Income from Virginia sources is income received from labor performed, business done, or property

located in Virginia, including gains from sales, exchanges or other dispositions of real estate and intangible personal property having a situs in Virginia. Virginia source income includes income passed through from a partnership, S Corporation or limited liability company that does business in Virginia. It also includes business income and proceeds from real estate transactions passed through by a Virginia trust. It generally does not include personal savings account interest or dividends from an individual's stock market investments.

Those who maintain legal domicile in another state and live in Virginia less than 183 days of the taxable year (or do not live in Virginia at all) are nonresidents. Also, members of the U.S. armed forces who have another state as their home of record (legal domicile) are generally classified as nonresidents of Virginia, even though they may be stationed in Virginia for years.

Members of the Armed Forces

Active duty pay for members of the armed forces is taxable only in the state of legal domicile, regardless of where stationed. You must file as a nonresident if you are in the military, domiciled in another state and have any other income that is from Virginia sources.

The residency status and filing requirements for a spouse or a dependent of an armed forces member are not connected to those of the armed forces member. If you are a spouse or a dependent of an armed forces member who is stationed in Virginia, you must determine your own residency status and filing obligations.

Exceptions for Certain Nonresidents

If you are a nonresident of Virginia who commutes daily to work in Virginia from **Kentucky** or the **District of Columbia**, you do not have to file if:

- You have no actual place of abode in Virginia at any time during the year;
- Salaries and wages are your only Virginia source income; and
- Your salaries and wages are subject to income taxation by Kentucky or the District of Columbia.

If you are a nonresident of Virginia who is a resident of **Maryland, Pennsylvania or West Virginia** and you earn salaries and wages in Virginia, you are exempt from filing a Virginia income tax return and paying Virginia income tax if:

- Your only income from sources in Virginia is from salaries and wages; and
- Your salaries and wages are subject to income taxation by Maryland, Pennsylvania or West Virginia.

If you are a domiciliary resident of Kentucky, Maryland, Pennsylvania, West Virginia or the District of Columbia and have income from Virginia sources other than wages and salaries, (such as business income or gain from the sale of a residence), you must file a Virginia Nonresident Individual Income Tax Return, Form 763, and pay tax on income not specifically exempted above.

WHICH FORM TO FILE

Residents File Form 760

File Form 760 if you are a part-year resident and all of your income came from Virginia sources or was received while you were a Virginia resident. This will allow you to claim the full exemption and standard or itemized deduction instead of computing partial amounts as required for part-year residents filing Form 760PY.

Part-Year Residents File Form 760PY

As a general rule, part-year residents file Form 760PY. If one spouse is a full-year resident and the other is a part-year resident, the couple may file together on Form 760PY. The part-year resident spouse will compute a prorated exemption amount. The full-year resident spouse will claim the full exemption amount.

If you are a part-year resident who received Virginia source income, as well as other income, during the portion of the year you lived in another state, you need to file two Virginia returns for the taxable year. File Form 760PY to report the income attributable to your period of Virginia residency. File Form 763, the nonresident return, to report the Virginia source income received as a nonresident.

Nonresidents File Form 763

Generally, nonresidents with income from Virginia sources must file a Virginia return if their income is at or above the filing threshold. Nonresidents who earn salaries and wages in Virginia and pay tax on those salaries and wages to the District of Columbia, Kentucky, Maryland, Pennsylvania or West Virginia are not required to file if they meet the criteria described in the previous section under "Exceptions for Certain Nonresidents." Residents of states other than those in "Exceptions for Certain Nonresidents" do not qualify for a filing exception.

Usually, when one spouse is a resident and the other spouse is a nonresident, each spouse whose income is at or above the filing threshold must file separately. The resident must file on Form 760. The nonresident spouse must file Form 763. There are only two circumstances in which such a couple can file jointly on the same return. If both spouses have income and all of the nonresident's income is Virginia source income, a joint resident return (Form 760) may be filed. Also, if the nonresident spouse has no income at all, a joint resident return may be filed.

Members of the Armed Forces

Use Form 763 if you are in the military, domiciled in another state and have any other income that is from Virginia sources. The filing requirements for a spouse or a dependent are not connected to those of the armed forces member. Examples follow.

If a married couple lives in Virginia the entire year, but is domiciled in Alabama, and has nonmilitary income from Virginia sources that is attributable to both spouses, the spouse on active duty will file Form 763, using Filing Status 4, while the nonmilitary spouse will file Form 760 using Filing Status 3. Generally, the state of domicile will allow credit for tax paid to Virginia on the earned income that is taxed in both states. If the nonmilitary spouse lived in Virginia less than 183 days of the taxable year, the couple will file Form 763 using Filing Status 2.

If the nonmilitary spouse's domicile changed to Virginia during the year, Form 760PY will be filed, using Filing Status 3, to pay tax on income earned after becoming a Virginia resident. Any income received from Virginia sources before becoming a Virginia resident will be reported on Form 763.

Other Frequently Used Virginia Forms

To order, see Page 3.

Schedule NPY - Required for:

- age deduction
- deductions from Virginia Adjusted Gross Income
- credit for low income individuals or Virginia Earned Income Credit
- credit for tax paid to another state
- addition to tax, penalty and interest
- contributions and consumer's use tax

Schedule CR	Required to claim most tax credits. <i>For some Schedule CR credits other forms are required.</i>
Form 760C	Required to compute the Addition to Tax for individuals, estates and trusts
Form 760F	Required to compute the Addition to Tax for farmers, fishermen and merchant seamen
Form 760IP	Extension Payment
Form CU-7	Consumer's Use Tax Return
Form 760ES	Estimated Tax Payment Vouchers (filed quarterly)

WHEN TO FILE

Calendar Year Filers - May 3, 2010

File by May 3, 2010, if you are a calendar year filer.

Fiscal Year Filers

If your taxable year is not January 1 through December 31, your return must be postmarked by the 15th day of the fourth month following the close of your fiscal year.

When filing, you should write "FISCAL YEAR FILER" across the top of Page 1 of Form 760PY and attach a statement indicating the beginning and ending months of your 12-month fiscal year. If you file after the due date or do not pay the full amount due by the due date, you may have to pay penalties and interest.

When filing by mail, the envelope must be postmarked by the due date. Put the correct postage on your envelope. If your return is sent back to you because of insufficient postage, you are liable for the penalties and interest if the postmark on the remailed return is after the due date.

If the due date falls on a Saturday, Sunday or legal holiday, you may file your return on the next day that is not a Saturday, Sunday or legal holiday.

Overseas Rule

If you are living or traveling outside the United States or Puerto Rico (including serving in the military or naval service), you must file your return by **July 1, 2010**. Be sure to check the appropriate box to the left of the name and address section.

Members of the Military - Members of the Armed Forces serving in a combat zone receive either the same individual income tax filing and payment extensions as those granted to them by the IRS, plus an additional fifteen days, or a one-year extension, whichever date is later. All extensions also apply to spouses of military personnel. Service families may wish, however, to file their individual income tax returns before the extended deadlines to receive refunds. Service members who claim this extension should write "Combat Zone" on the top of tax returns, as well as any notice issued by the Virginia Department of Taxation to combat zone personnel regarding tax collection or examination, and on the outside of the return envelopes used to mail the return. More information can be obtained from Tax Bulletin 05-5 on the website at www.policylibrary.tax.virginia.gov/OTP/policy.nsf. Go to the Tax Bulletin section and select VTB 05-5 (PD 05-67) from the list of 2005 tax bulletins.

In addition, every member of the armed services deployed outside of the United States is allowed an extension of his or her due date. The extension will expire 90 days following the completion of deployment. Service members who claim this extension should write "Overseas Noncombat" on the top of their tax returns.

Extension Requests

Virginia law provides an automatic six-month filing extension for income tax returns. No application for extension is required. The extension is for filing the return, not for payment of the tax;

therefore, you must pay at least 90 percent of your tax by the due date, May 3 for calendar year filers. To make a payment of tentative tax, use Form 760IP.

If you file your return within six months after the due date but do not meet the 90 percent payment requirement, an extension penalty of two percent per month will apply to the balance of tax due with your return from the due date through the date your return is filed, to a maximum of 12 percent of the tax due. Interest will also be accrued on any balance of tax due with a return filed within the extension period, regardless of whether the 90 percent payment requirement is met.

If you file your return within six months after the due date but do not pay the tax due at the time of filing, the unpaid balance will be subject to a late payment penalty of six percent per month from the date of filing through the date of payment, to a maximum of 30 percent. The late payment penalty will be assessed in addition to any extension penalty that may apply. The automatic extension provisions apply only to returns that are filed within six months from the due date. If you file your return more than six months after the due date, a late filing penalty of 30 percent will apply to the balance of tax due with your return.

Refund Returns

You do not need to file Form 760IP if you cannot file by the due date and you are certain that your return will result in a refund. This is because the late filing penalty is not assessed on refund returns. To receive a refund, however, you must file within three years of the due date.

Foreign Income Exclusion

If you qualify for the federal foreign income exclusion and have requested an extension of time for filing your federal return, you may apply for an extension of time to file your state return. You will be granted an extension for thirty days after the date you expect to qualify for the exclusion. You must apply by letter on or before the first day of the seventh month following the close of your taxable year and attach a copy of the approved federal extension to your return when you file.

WHERE TO FILE

To file by mail, use the mailing address listed on the back cover of this book for the city or county where you live or last lived while a resident of Virginia. Local phone numbers are also provided. Most part-year returns can also be filed electronically.

BALANCE DUE RETURNS

You can pay by check or by credit card. Make your check payable to the Treasurer of the city or county in which you reside. **Make sure your social security number is on your check and make a notation that it is your 2009 income tax payment.**

To pay by credit card, call 1-800-272-9829 (1 800 2 PAY TAX), or visit www.officialpayments.com. **The jurisdiction code for Virginia is 1080.** If you choose this option, fill in the box on Line 26 of Form 760PY, indicating this type of payment. You will be assessed a fee by the company processing the transaction.

If you have already filed your return with your Commissioner of the Revenue and did not indicate you were paying by credit card, call your Local Commissioner of the Revenue's office for the correct jurisdiction code prior to initiating your credit card payment. Phone numbers are listed on the inside back cover.

DEBT COLLECTION ACT

Before issuing any refunds, Virginia law requires us to check for any outstanding debt with agencies of the Commonwealth of Virginia, Virginia local governments and the Virginia court system. If any such debt is found, regardless of the type of tax return filed, all or part of your refund may be withheld to help satisfy the debt and processing of your return will be delayed.

AVOID COMMON MISTAKES

- **Sign your return.**
- Make sure your name, address and social security number(s) are correct.
- Check all math.
- If you itemized deductions, make sure you complete Line 11(b) and Lines 47(a) - (c) on Form 760PY.
- Put the correct postage on your envelope. If your return is sent back to you because of insufficient postage, you are liable for the penalties and interest if the postmark on the remailed return is after the due date.
- **File your original return. Do not file a photocopy.**

HOW TO ASSEMBLE YOUR RETURN

If you completed any of the forms shown below, you must attach copies to your Virginia return. Place these forms behind your Virginia return in the following order and staple them together at the location labeled “**STAPLE**” on the top, center on the front of your Virginia return.

- If filing both Form 760PY and Form 763, attach Form 763 behind Form 760PY so that the title of Form 763 can be seen over the top of the title of Form 760PY. Attach a statement over the Form W-2 on Form 760PY stating that “Form 763 is attached behind Form 760PY.”
- **Virginia Forms**
 - Schedule NPY
 - Schedule CR
 - Form 760C or Form 760F
 - Form 760IP
 - Forms 301, 304, 306 or 307
 - Any additional documentation as required
- **Federal Forms**
 - Complete copy of your federal income tax return
- If claiming credit for income tax paid to another state on Schedule NPY, attach a complete copy of the state tax return filed with the other state.

Withholding Forms

Be sure to include W-2, 1099 and VK-1 forms that indicate the same amount of Virginia income tax withheld as the amount you claim on your return. **Staple** these to the center of the left margin on front of your return.

Payments

Staple check to the lower left side of your return. If paying by credit card, please check the box on Line 26 of Form 760PY.

COMPUTE YOUR LOWEST TAX

(Tip for Married Taxpayers)

Since Virginia’s individual income tax is imposed at graduated rates, a couple with income attributable to each spouse may find that by using Filing Status 2 (filing a joint return), their joint income

is taxed at a higher rate than their separate taxable incomes would be. Filing Status 4 (married filing a combined return), is designed to adjust for this difference. When using Filing Status 4, tax is computed on each spouse’s separate taxable income and then the two amounts of tax are added together to arrive at their total tax. As a general rule, when both you and your spouse have income, Filing Status 4 will enable you to obtain the lowest combined tax provided you assign deductions and dependents to each spouse so that the taxable income in each column on Form 760PY is as close to equal as possible.

If only one spouse has income or if one spouse’s income would be reduced to zero (or less) after claiming personal exemptions and the subtractions on Lines 37 - 45, of Form 760PY, use Filing Status 2 instead.

FORM 760PY LINE INSTRUCTIONS PAGE 1

NAME, ADDRESS AND SOCIAL SECURITY NUMBER (SSN)

Name

Enter your complete name (including middle initial) and mailing address in the boxes provided. If filing a joint return, Filing Status 2 or 4, enter the complete name of your spouse. If you are married filing separate returns (Filing Status 3), **DO NOT** enter your spouse’s name in the spouse name boxes. Instead enter your spouse’s name on the Filing Status 3 line below the address box.

Deceased Taxpayers:

Single filers: You must list the filer’s name and Social Security Number and check the box on Page 2 for Primary Taxpayer Deceased. Include a copy of the federal Form 1310, and/or the appropriate court appointment papers.

Joint filers: If one filer is deceased each filer’s name and Social Security Number must be listed. Check the box on Page 2 to indicate the deceased filer. Use the Primary Taxpayer Deceased box if the filer in the Your name and Social Security Number fields is deceased. Use the Spouse Deceased box if the filer in the Spouse name and Social Security Number fields is deceased.

If completing a return for joint filers with both filers deceased, list the name and Social Security Number of each filer. Check both deceased boxes on Page 2. Include a copy of the federal Form 1310 and/or the appropriate court appointment papers.

Address

Enter your street address. Do not enter a P. O. Box address unless mail is not delivered to your street address.

Social Security Number (SSN)

Be sure your Social Security Number is entered correctly. The Social Security Number entered in the “B: Your Social Security Number” box must be the number of the person whose name is shown first on the return.

Earned Income Credit Claimed on Federal Return

If you claimed Earned Income Credit on your 2009 federal return, check here and enter the amount claimed.

City or County Where You Were a Resident

Enter the name of the city or county in Virginia where you lived on January 1, 2010, and check the city or county box, as appropriate. Also, enter the three digit Locality Code found on the back cover.

If you lived in more than one Virginia city or county or if you did not live in Virginia on January 1, 2010, enter the name of the city or county in Virginia in which you last lived. This is not always the same as the city or county of your mailing address.

Privacy Act: The Privacy Act of 1974 requires any federal, state or local government agency that requests individuals to disclose their Social Security Numbers to inform those individuals whether the disclosure is mandatory or voluntary, by what statutory or other authority the number is requested and how it will be used. The following information is provided to comply with these requirements.

Disclosure of the Social Security Number is mandatory pursuant to these instructions, which are promulgated under the authority of Section 58.1-209 of the *Code of Virginia*. The Social Security Number is used as a means of identification for the filing and retrieval of income tax returns and is also used to verify the identity of individuals for income tax refund purposes.

CHECK BOXES

To the left of the name and address section, there are several check boxes. Please check all boxes that apply.

- **Amended Return**
Check this box if this is an amended return. For more information, please refer to the “Amended Return” section of these instructions. Also check the box if the reason for amending your return is the result of a net operating loss (NOL). For more information, please refer to the “Net Operating Loss” section of these instructions.
- **Fixed Date Conformity Modifications**
Check this box if your return has an addition or subtraction due to Fixed Date Conformity.
- **Qualifying Farmer, Fisherman or Merchant Seaman**
Check this box if you are a self-employed farmer, fisherman or merchant seaman and at least two-thirds of your gross income is from those employments. This information is used to identify farmers, fishermen and merchant seamen subject to special rules for paying estimated tax. See “Addition To Tax For Underpayment Of Tax” section of these instructions for details.
- **Overseas on Due Date**
Check this box if you were living or traveling outside the United States or Puerto Rico (including serving in the military or naval service), on May 3, 2010. You must file your return by **July 1, 2010**.
- **Coalfield Employment Enhancement Tax**
Check this box if you earned Coalfield Employment Enhancement Tax Credit.
- **Pass-Through Withholding**
Check this box if pass-through withholding is included on Line 18a or Line 18b. Attach Form(s) VK-1.
- **Dates of Residence** - Enter the dates you, and your spouse if filing a joint return, lived in Virginia during 2009.

FILING STATUS

Check the box beside your filing status

Line 1 - Single (Filing Status 1)

Use this filing status if you claimed one of the following federal filing statuses on your federal return: Single, Head of Household, or Qualifying Widow(er). If you claimed the Head of Household filing status on your federal return, check the “Single” filing status

box and the “Head of Household” box on Line 1.

Line 2 - Married, Filing Joint Return (Filing Status 2)

You and your spouse may choose to file a joint return if (a) you computed your federal income tax liabilities together on a joint federal return, or (b) neither you nor your spouse was required to file a federal return. You may claim this filing status even if your spouse has no income. When filing a joint return, your spouse’s exemption is included in the “Yourself” column. Do not claim your spouse as a dependent.



If both spouses have income, filing a combined return (Filing Status 4) may result in a lower balance due or a greater refund than a joint return (Filing Status 2).

Line 3 - Married, Filing Separate Return (Filing Status 3)

If you and your spouse filed separate federal returns, you can file separate state tax returns or you can choose to file a combined return (Filing Status 4). Generally, if you filed a joint federal return and only one spouse is a Virginia resident, the Virginia resident must file a separate Virginia return. When you file separate returns in Virginia, you must report your federal adjusted gross income, exemptions and deductions on your Virginia return as if you had filed separate federal returns. Federal rules must be applied to determine the exemptions and itemized deductions allowed when filing separate returns. If one spouse claims itemized deductions, the other spouse must also.

If the number of dependent exemptions or the amount of itemized deductions cannot be accounted for separately, they must be proportionately allocated between each spouse based on each spouse’s income.

Also enter your spouse’s Social Security Number in the name and address section of the return and enter your spouse’s name on the line provided in the Filing Status section.

Line 4 - Married, Filing Separately on This Combined Return (Filing Status 4)

You can use this filing status if **both** you and your spouse had income, regardless of whether you filed jointly or separately for federal purposes. When both spouses have income, this filing status usually enables a couple to compute a lower tax than filing a joint return (Filing Status 2). If you choose Filing Status 4, you are jointly and severally liable for the amount of tax due and any refunds will be made jointly payable.

Since Virginia’s income tax is imposed at graduated rates, a couple with income attributable to each spouse may find that by using Filing Status 2, their joint income is taxed at a higher rate than their separate incomes would be. Filing Status 4 is designed to adjust for this difference. Filing Status 4 allows a couple to compute a combined tax by reporting income for each spouse separately and then allocating dependent exemptions and deductions as mutually agreed. Tax is computed on each spouse’s separate taxable income and then the two amounts of tax are added together to determine their total tax.



Use Filing Status 2 instead of Filing Status 4 if only one spouse had income or if one spouse’s income would be reduced to zero or less after claiming personal exemptions and the subtractions on Lines 37 - 44 of Form 760PY.

When using Filing Status 4, each spouse must claim his or her own income, personal exemptions and, if allowable, any additional exemption for age or blindness. The number of dependent exemptions may be allocated between spouses as you mutually agree. Each spouse has a separate exemption line.

EXEMPTIONS

Section 1 - Enter the number of exemptions you are allowed in the appropriate boxes next to your filing status. If filing a joint return (Filing Status 2), enter the number for both spouses combined. The first exemption box on the form has been completed for you.

Dependents

Generally, you may claim the same number of dependent exemptions allowed on your federal return. If using Filing Status 3 or 4, see the Filing Status instructions in the previous section for the rules on claiming dependents. You may never claim less than a whole exemption. The same dependent may not be claimed on separate returns.

Multiply the total exemptions claimed in Section 1 by \$930 and enter the result in the "Total Section 1" box.

Section 2

65 or Over To qualify for the additional personal exemption for age 65 or older, you must have been age 65 or over on or before January 1, 2010.

Blind To qualify for the additional personal exemption for the blind, you must have been considered blind for federal income tax purposes.

Multiply the total exemptions claimed in Section 2 by \$800 and enter the result in the "Total Section 2" box.

Add the dollar amount from Section 1 to the dollar amount from Section 2. Use the sum when computing the prorated exemption amount on Line 12.

Line 5 - Dependent on Another's Return

Check the box if you can be claimed as a dependent on someone else's return. If you check this box and claim the Virginia standard deduction on Line 11(a), see "Exception: Dependent's Limited Standard Deduction" following the Line 46(e) instructions. Your standard deduction may be limited.

HOW TO ENTER NUMBERS

Use the Correct Column: Enter numbers in Column B if you are using Filing Status 1, 2 or 3. Enter numbers in Columns A and B only if you are using Filing Status 4. When using Filing Status 4, make sure the information in Column B applies to the name and social security number listed first on the return. Column A is for your spouse.

Round to Whole Dollars: To improve accuracy of return preparation and speed the processing of your return, all amount entries on your return must be rounded to the nearest dollar. Amounts of 1 cent to 50 cents are to be rounded down while all amounts 51 cents to 99 cents are to be rounded up.

Negative Numbers: Enter negative numbers (numbers less than 0) in brackets. For example, if your federal adjusted gross income was negative 12,000, enter this as [12,000].

Line 6 - Adjusted Gross Income

Part I on back of Form 760PY *must* be completed before you make an entry on Line 6. Complete Lines 28 through 32, then enter the total amount of federal adjusted gross income on Line 6 as follows. *The instructions for Part I are on Page 13.*

Filing Status 1, 2 or 3

Enter the amount from Line 32, Column B1, on Line 6, Column B.

Filing Status 4

Enter the amount from Line 32, Column A1, on Line 6, Column A, and enter the amount from Line 32, Column B1, on Line 6, Column

B. When using Filing Status 4, the total of Column A and Column B on Line 6 *must* equal the total federal adjusted gross income on your federal return.

Line 7 - Additions

Complete Part II on back of Form 760PY, Lines 33 through 36, and enter the amount from Line 36. The instructions for Part II begin on Page 13.

Line 9 - Subtractions

Complete Part III on back of Form 760PY, Lines 37 through 45, and enter the amount from Line 45. The instructions for Part III begin on Page 14.

Line 10 - Virginia Adjusted Gross Income

Deduct Line 9 from Line 8 and enter the result.

If the amount on Line 10 is less than the amount shown below for your filing status, your Virginia income tax is \$0.00 and you are entitled to a refund of any withholding or estimated tax paid.

To claim a refund in these cases:

- Skip to Line 17 and enter "0.00" as your tax, then
- Complete Lines 18 - 27.

Filing Status	Filing Threshold
1. Single.....	\$11,250
2. Married, filing jointly.....	\$22,500
3. Married, filing separately.....	\$11,250
4. Married, filing combined return*.....	\$22,500

* When filing a combined return, compare the threshold to the total of Columns A and B, Line 10.

Deductions

Claiming Deductions When Filing a Combined Return:

If you are filing a combined return (Filing Status 4), you can allocate deductions and dependents between spouses as you choose. As a general rule, you can lower your combined tax by assigning deductions and dependents to each spouse so that the taxable incomes in Columns A and B are as close to equal as possible. The deductions and dependents which can be allocated are on Lines 11(a) or 11(b), 12 and 13.



Line 11 - Standard or Itemized Deductions

Complete Part IV or Part V on back of Form 760PY, whichever is appropriate. You must claim the same type of deductions (standard or itemized) on the Virginia return as claimed on your federal return.

If a joint federal return was filed and you are filing separate returns in Virginia (Filing Status 3) and claiming itemized deductions, itemized deductions that cannot be accounted for separately must be allocated proportionately between spouses based on each spouse's share of the federal adjusted gross income.



Line 11(a) - Standard Deductions: Enter the allowable Virginia standard deductions computed on Part IV, Line 46(e);

OR

Line 11(b) - Itemized Deductions: Enter the allowable Virginia itemized deductions amount from Part V, Line 47(c).

Line 12 - Exemption Amount

The total exemption amount is the number of exemptions claimed prorated based on the portion of the year you resided in Virginia (see Ratio Schedule on Page 30). Complete the Prorated Exemption Worksheet below to compute your allowable personal and dependent exemptions.



If using Filing Status 4, each spouse must compute his or her own prorated personal exemptions based on the number of exemptions claimed on Line 4. Use the separate exemption amounts for “yourself” and your “spouse” when completing Lines A, B and C of the following worksheet.

Prorated Exemptions Worksheet

	Col. A Spouse	Col. B Yourself
A. Enter the Exemption Amount for your filing status from Form 760PY, Lines 1 - 4	_____	_____
B. Enter the ratio amount from the Personal Exemption Ratio Schedule on Page 30 of these instructions	_____	_____
C. Multiply Line A by Line B and enter the result in the appropriate column on Form 760PY, Line 12	_____	_____

The prorated exemptions worksheet above is used to reduce your personal and dependent exemptions to an amount which is proportional to the number of days you resided in Virginia during the taxable year. For example, if you are single, claim no dependents and moved to Virginia on July 1, your prorated Virginia personal exemption is computed as follows:

Prorated Virginia Personal Exemption

\$930 (One personal exemption)

X .504 (Ratio Schedule factor for July 1 move to Virginia)

\$468.72 (Be sure to round to \$469.00)

Exception

If 100% of your federal adjusted gross income was earned while you were a Virginia resident, you do not have to prorate your personal exemptions. If you are married, each spouse’s personal exemption is prorated separately based on that spouse’s period of residence in Virginia. However, if 100% of either spouse’s income is from Virginia sources, that spouse’s personal exemption does not have to be prorated.

If you moved into and out of Virginia during the year (or vice versa), base the proration on the total number of days that you were a Virginia resident.

When using Filing Status 3, if the number of exemptions *cannot* be accounted for separately, they *must* be proportionately allocated between each spouse based upon each spouse’s income.

Line 13 - Deductions

If you reported any deductions on Virginia Schedule NPY, enter the total amount from Part II, Line 2 of Schedule NPY.

Line 16 - Income Tax

If Line 15 exceeds the amount listed in the tax table included in these instructions, compute the tax from the tax rate schedule.

Line 17 - Total Tax

Add Column A and Column B, Line 16, and enter the result.

Line 18(a) - YOUR Virginia Income Tax Withheld

Enter the amount of Virginia income tax withheld for the person whose Social Security Number is in the “B: Your Social Security

Number” box in the name and address section on Form 760PY. If you are using Filing Status 4, this must be the person whose income is reported in Column B.

Line 18(b) - SPOUSE’S Virginia Income Tax Withheld

Enter the amount of Virginia income tax withheld for the person whose Social Security Number is in the “A: Spouse’s Social Security Number” box in the name and address section on Form 760PY. If you are using Filing Status 4, this must be the person whose income is reported in Column A. If filing a separate return (Filing Status 3), do not enter your spouse’s withholding.

Line 18(c) - Combined 2009 Estimated Tax Payments

Enter your total 2009 estimated Virginia income tax payments. If using Filing Status 2 or 4, enter the total payments made by you and your spouse, even if the payments were made using separate Form 760ES vouchers. Remember to include any estimated income tax carryover from your 2008 individual income tax return.

Line 18(d) - Combined Extension Payments

Enter the total tentative tax paid with Form 760IP, if applicable.

Line 18(e) - Credit For Low Income Individuals or Virginia Earned Income Credit

If your total family income does not exceed the federal poverty guidelines or you claimed the federal earned income credit, you may be eligible to claim this credit for low income individuals or the Virginia Earned Income Credit.

These credits may not be claimed if you, your spouse, or any dependent claims any of the following:

- Virginia National Guard Subtraction
- Military pay subtraction (first \$15,000)
- Subtraction for first \$15,000 for state and federal employees whose annual salary is \$15,000 or less
- Exemption for blind taxpayers or taxpayers age 65 and over
- Age Deduction

If you are eligible, calculate these credits by completing Schedule NPY, Part III. After you have completed Part III, enter on Line 18(e) the credit amount from Schedule NPY, Part III, Line 10. See instructions for Schedule NPY starting on Page 19.

Line 18(f) - Credit for Tax Paid to Another State

Generally, Virginia will allow taxpayers filing resident individual income tax returns to claim credit for income tax paid as a nonresident to another state on earned or business income derived from sources outside Virginia 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.

If you are eligible, calculate the credit by completing Schedule NPY, Part IV. After you have completed Part IV, enter on Line 18(f) the credit amount from Schedule NPY, Part IV, Line 8. See instructions for Schedule NPY starting on Page 19.

Line 18(g) - Credits From Schedule CR

Complete **Schedule CR** and attach it to your return to claim the following tax credits. For some credits, other Virginia forms are also required. To order Schedule CR, Schedule CR Instructions and these other credit forms, see Page 3.

If you are only claiming a **Political Contributions Credit**, enter the amount of the credit and check the box. You do not need to attach Schedule CR. The Political Contributions Credit is available to individuals who make contributions to candidates for state or local political office. The credit is 50 percent of the amount of the contribution, subject to a \$25 limit for individuals and a \$50 limit for married taxpayers filing jointly and cannot exceed your tax liability.



For details on these credits and information on carryover and pass-through provisions, refer to Schedule CR, Schedule CR instructions and the organizations or forms specified.

The following table lists all the credits that can be claimed against individual income tax. For more information, call Tele-Tax at **804-367-2486**. Or you can visit www.tax.virginia.gov.

- Trust Beneficiary Accumulation Distribution
- Enterprise Zone Act
- Neighborhood Assistance Act
- Recyclable Materials Processing Equipment
- Conservation Tillage Equipment
- Fertilizer and Pesticide Application Equipment
- Rent Reduction Program
- Vehicle Emissions Testing Equipment
- Major Business Facility
- Foreign Source Retirement Income
- Historic Rehabilitation
- Day-Care Facility Investment
- Low-Income Housing
- Agricultural Best Management Practices
- Qualified Equity and Subordinated Debt Investments
- Worker Retraining
- Waste Motor Oil Burning Equipment
- Purchase of Long-Term Care Insurance
- Biodiesel Fuels
- Livable Home (formerly Home Accessibility Features for the Disabled)
- Riparian Waterway Buffer
- Land Preservation
- Political Contributions
- Coalfield Employment Enhancement
- Virginia Coal Employment and Production Incentive

Line 20 - Income Tax You Owe

If Line 17 is larger than Line 19, enter the difference and skip to Line 22.

Line 21 - Overpayment Amount

If Line 19 is larger than Line 17, enter the difference.

Line 22 - Addition to Tax, Penalty and Interest

If you owe penalty and/or interest in addition to your tax, you can either calculate it using Schedule NPY, Part V, or leave Line 22 blank.

If you complete Schedule NPY, enter on Line 22 the amount from Schedule NPY, Part V, Line 4.

If you leave Line 22 blank, the Department will compute the addition to tax, penalty and interest for you and then send you a bill. If your income varied during the year, however, you may be entitled to a lower addition to tax than what the Department would automatically compute. In such cases, you should complete Form 760C to show when the income was received and what the addition to tax should be.



Attach Form 760C or Form 760F (for Farmers, Fishermen or Merchant Seamen) if you computed the addition to tax and/or if you are claiming one of the exceptions that voids the addition to tax.

Line 23 - Credit to Estimated Tax

Enter the amount of net overpayment from Line 21 to be credited to 2010 estimated tax in the respective columns. Designate overpayment credit to Column A, spouse, if using Filing Status 2 or 4 or Column B, you (as you mutually agree). NOTE: If you are filing a joint or combined return with a deceased spouse AND you are entitled to claim the overpayment, enter the overpayment in your column. The total amount of overpayment on Line 23 may not exceed your overpayment (Line 21) minus any addition to tax, penalty and interest (Line 22).

Line 24 - Contributions and Consumer's Use Tax

Enter the amount from Schedule NPY, Part VI, Line 7.

Line 26 - Amount You Owe

If You Owe Tax on Line 20, add Line 20 and Line 25.

—OR—

If Line 21 is an OVERPAYMENT and Line 25 is LARGER THAN Line 21, deduct Line 21 from Line 25.

This is the amount you owe. The amount you owe must be paid in full at the time of filing your return.

Payment Options

Check

If you file your return locally, make your check payable to the Treasurer or Director of Finance of the city or county in which you reside; otherwise, make your check payable to the Department of Taxation. See the inside back cover for a listing of localities. Make sure your Social Security Number is on your check and make a notation that it is your 2009 Virginia income tax payment. **Staple your check to the return.**

Credit Card

Call **1-800-272-9829** or visit www.officialpayments.com to pay by credit card. If you choose this option, check the box on Line 26 indicating this type of payment.

The company processing the transaction will assess an additional fee. Prior to payment, you will be informed of the fee and will have the option to cancel the transaction at that time with no charge.

If you have already filed your return with your Commissioner of the Revenue and did not indicate you were paying by credit card, call your Local Commissioner of the Revenue's office for the correct jurisdiction code prior to initiating your credit card payment. Phone numbers are listed on the inside back cover.

Line 27 - Amount to Be Refunded to You

If Line 21 is larger than Line 25, deduct Line 25 from Line 21 and enter the amount to be refunded.

Sign Your Return

The signature block on Form 760PY is on the bottom of Page 2. You have not filed a complete or legal return unless you sign it. A joint or combined return must be signed by both you and your spouse.

If the primary taxpayer and/or spouse died during the tax year, check the appropriate box.

If you would like to give the Department of Taxation authorization to discuss your return information with your preparer, check the box above the declaration line.

Telephone Numbers

The telephone number blocks on Form 760PY are to the right of the signature lines on the back of the form. Phone numbers are requested so we can call you if we have a question about your return.

Tax Preparer Information

If you paid someone to prepare your return, the preparer should provide contact information in the spaces provided.

FORM 760PY LINE INSTRUCTIONS PAGE 2

PART I - SCHEDULE OF INCOME AND ADJUSTMENTS

Your return will not be accepted as complete unless this schedule is completed. The purpose of the Schedule of Income and Adjustments is to allocate the items that constitute federal adjusted gross income between Virginia and another state. Column 1, Lines 28 - 32, is an abridged version of federal Form 1040, 1040A or 1040EZ. Use Lines 28(a) - 28(c) to report all income. Use Line 30 to report all moving expenses included as adjustments to total income on the federal return. Use Line 31 to report all other adjustments to total income on the federal return. **The sum of Line 32, Columns A1 and B1 must equal the federal adjusted gross income on your federal Form 1040, 1040A or 1040EZ.** Base the allocation on where you were a resident when you received the income or paid the expense. NOTE: If claiming Filing Status 4, complete both the "A" and "B" sections of the schedule. For all other filing statuses, complete only the "B" section. References to Column 1, 2 or 3 mean Column A1, A2 or A3 (or B1, B2 or B3), as appropriate.

Line 28 - Income

- (a) Enter in Column 1 the total amount of wages as shown on federal Form 1040, 1040A or 1040EZ. In Column 2, enter the portion of wages attributable to your period of residence in Virginia. Enter the balance in Column 3.
- (b) Enter in Column 1 the total amount of interest and dividends as shown on federal Form 1040, 1040A or 1040EZ. In Column 2, enter the portion of interest and dividends attributable to your period of residence in Virginia. Enter the balance in Column 3.
- (c) Enter in Column 1 the net amount of other income as shown on federal Form 1040 or 1040A. This includes, but is not limited to, refunds of state and local income taxes, alimony received, business income, taxable pensions and capital or other gains and losses. In Column 2, enter the portion of other income attributable to your period of residence in Virginia. Enter the balance in Column 3.

Line 29 - Gross Income

Add Lines 28(a), 28(b) and 28(c) and enter the total here.

Line 30 - Adjustments to Income: Moving Expenses

Enter in Column 1 the total moving expenses claimed as an adjustment to income on federal Form 1040. If you moved to Virginia, claim the moving expenses in Column A2 and/or B2 as an expense to Virginia income. If you moved outside of Virginia, claim the moving expenses in Column A3 and/or B3. Moving expenses are considered an expense to the income from the state to which you move.

Line 31 - Other Adjustments to Income

Enter in Column 1 all adjustments to income as shown on federal Form 1040 or 1040A other than the moving expenses included on Line 30. This includes, but is not limited to, reimbursed employee business expenses, payments to an IRA and alimony paid. In Column 2, enter the portion of these adjustments that is attributable to your period of residence in Virginia. Enter in Column 3 the balance of these adjustments.

Line 32 - Adjusted Gross Income

Deduct the total of Line 30 and Line 31 from Line 29 and enter the balance here. The total of Column 1 must equal your federal adjusted gross income on your federal return. If using Filing Status 4, the total of Columns A1 and B1 must equal your federal adjusted gross income on federal Form 1040, 1040A or 1040EZ.

Enter the totals of Columns A1 and B1 on Line 6, Form 760PY (front). If the Schedule of Income and Adjustments is properly completed, the sum of Columns 2 and 3 will equal your federal adjusted gross income as shown in Column 1.

Enter the total of Line 32(b), Column 3, on Line 40. If you are using Filing Status 4, enter the amounts from both Columns A3 and B3 in the respective Columns on Line 40.

Line 32(a) - Net Fixed Date Conformity Modifications

Complete Form 760PY, Lines 33 and 37, enter the net amount on Line 32(a), Column 1. In Column 2, enter the portion attributable to your period of residence in Virginia. Enter the balance in Column 3.

Line 32(b) - Fixed Date Conformity FAGI

Combine Line 32 and Line 32(a) and enter the result. Enter the total of Line 32(b), Column 3, on Line 40.

Note: If you are claiming the standard deductions on your return, the total of Line 32(b), Columns A2 and B2, must be entered on Line 46(b), Part IV.

Fixed Date Conformity Update

Virginia's date of conformity with the Internal Revenue Code was advanced from December 31, 2007, to December 31, 2008. The 30% and 50% bonus depreciation allowance for certain assets under the IRC and the 5-year net operating loss (NOL) carry back allowed for net operating losses generated in taxable year 2001 or 2002 are still not allowed.

At the time these instructions went to print, the only required adjustments for "fixed date conformity" were the two mentioned above. However, if federal legislation is enacted that results in changes to the Internal Revenue Code for the 2009 taxable year, taxpayers will be required to make adjustments to their Virginia returns that are not described in the instruction booklet. Information about any such adjustments will be posted on the Department's website at www.tax.virginia.gov.

PART II - ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME

Line 33 - Fixed Date Conformity

Check the box on the top left of Page 1 of Form 760PY if your return has an addition or subtraction due to Fixed Date Conformity.

- A. Bonus Depreciation** - For an explanation, please see the section titled, *Fixed Date Conformity Update*. Enter the amount that should be added to Federal Adjusted Gross Income based upon the recomputation of allowable depreciation.

B. Other Changes Not Listed Above - Add

any other amounts not covered above that should be adjusted because of Virginia's conformity to the Internal Revenue Code as it existed on December 31, 2008. Check our website, www.tax.virginia.gov, for other Fixed Date Conformity adjustments that may have passed after these instructions were printed.

C. Total of Lines A and B

Enter the total of Lines A and B here and on 760PY, Line 33.

Mutual Funds

If you received federally tax exempt interest dividends from a regulated investment company (mutual fund) that invested in obligations both taxable and exempt for Virginia purposes, the entire dividend income earned while you were a Virginia resident must be entered as an addition unless you attach a statement provided by the fund that:

- details the amount of dividends you earned while a Virginia resident; and
- summarizes the prorations between exempt and taxable dividends (monthly breakdown is preferred).

A typical situation would involve a mutual fund that invests in bonds of several states, including Virginia. The interest on the bonds issued by the other state is taxable for Virginia purposes even though exempt for federal purposes. Unless the taxpayer is able to substantiate the amount attributable to the Virginia bonds, the total amount of dividends exempt from federal taxation will be an addition on the Virginia return.

If you attach the information specified above, enter the exempt portion of income on Line 34 or Line 35, as appropriate.

Line 34 - Interest on Obligations of Other States

Enter the interest earned while a Virginia resident that was not included in federal adjusted gross income, less related expenses to the extent 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 created by compact or agreement to which this state is a party.

Line 35 - Other Additions

A. Interest on Federally Tax-Exempt US Obligations

Enter the interest or dividends earned while a Virginia resident, less related expenses to the extent not deducted in determining federal taxable income, on obligations or securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal income tax but not from state tax.

B. Transitional Modifications

Enter the amount necessary to prevent the deduction of any item properly deductible in determining a tax under prior Virginia state law.

C. Accumulation Distribution Income

Enter the taxable income used to compute the partial tax on an accumulation distribution as reported on federal Form 4970.

D. Lump-Sum Distribution Income

If you received a lump-sum distribution from a qualified retirement plan while you were a Virginia resident and elected

to use the 20% capital gain election, the ten-year averaging option, or both on federal Form 4972, complete the worksheet below to determine what portion, if any, must be included as an addition on the Virginia return.

1. Enter the total amount of the distribution subject to federal tax (ordinary income and capital gain)
2. Enter the total federal minimum distribution allowance, federal death benefit exclusion and federal estate tax exclusion
3. Deduct Line 2 from Line 1. Include this amount on Form 760PY, Line 35

E. Other

Attach an explanation for other additions.

PART III - SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME

Mutual Funds

If you received income from a regulated investment company (mutual fund) that invested in obligations both taxable and exempt for Virginia purposes, the entire income earned while you were a Virginia resident must be considered taxable by Virginia unless you attach a statement provided by the fund that:

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

If you attach the information specified above, enter the exempt portion of income on Line 41 or Line 44, as appropriate.

Line 37 - Fixed Date Conformity

Check the box on the top left of Page 1 of Form 760PY if your return has an addition or subtraction due to Fixed Date Conformity.

A. Bonus Depreciation. For an explanation, please see the section titled, *Fixed Date Conformity Update*. Enter the amount that should be deducted from Federal Adjusted Gross Income based upon the recomputation of allowable depreciation.

B. Other Changes Not Listed Above. Deduct any other amounts not covered above that should be adjusted because of Virginia's conformity to the Internal Revenue Code as it existed on December 31, 2008. Also, please attach a schedule and explanation of such subtraction. Check our website, www.tax.virginia.gov, for other Fixed Date Conformity adjustments that may have passed after these instructions were printed.

C. Total of Lines A and B
Enter the total of Lines A and B here and on 760PY, Line 37.

Line 38 - Age Deduction

Taxpayers born on or before January 1, 1945, may be eligible to claim the Age Deduction. Eligible taxpayers must calculate the deduction by completing Schedule NPY, Part I. After completing Part I, enter on Line 38 the deduction amount from Schedule NPY, Part I, Line 4. See instructions starting on Page 19.

Line 39 - State Tax Refund or Overpayment Credit Reported as Income on Your Federal Return

Enter the amount of any state income tax refund or overpayment credit reported as income on your federal income tax return and received while a resident of Virginia (claim in the same column as the income was reported on Line 6 on the front of the Virginia return).

State, local or foreign income taxes withheld from your salary, estimated tax payments or payments made on tax for a prior year to such taxing authority may be deducted on your federal return for the year withheld or paid. The federal deduction is for the amount paid rather than the tax liability, so a refund or credit is generally treated as taxable income (a recovery of an excessive deduction) on the federal return. Since Virginia does not allow the state and local income tax deduction, a federally taxable refund or overpayment credit is to be deducted from federal adjusted gross income on the Virginia return.

Line 41 - Income From U.S. Obligations

Enter the amount of income received while a resident of Virginia (interest, dividends and gain) 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 included in federal adjusted gross income but exempt from state income taxes under the laws of the United States. This includes, but is not limited to, stocks, bonds, treasury bills and treasury notes. It does not include interest on refunds of federal taxes, equipment purchase contracts or normal business transactions. A partial list of taxable and exempt income follows.

This 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 attached showing that the income is exempt from Virginia individual income tax.

Issuing Organization	VA Tax Status
Export-Import Bank of the United States (Export-Import Bank of Washington)	Exempt
Farm Credit Bank	Exempt
Federal Deposit Insurance Corporation	Exempt
Federal Home Loan Bank	Exempt
Federal Intermediate Credit Bank	Exempt
Federal Land Bank	Exempt
Federal Reserve Stock	Exempt
Governments of Guam, Puerto Rico and Virgin Islands	Exempt
Resolution Trust Corporation	Exempt
Student Loan Marketing Assoc. (Sallie Mae)	Exempt
Tennessee Valley Authority	Exempt
US Postal Service	Exempt
US Treasury bills, notes, bonds & savings bonds (such as Series E, EE, H, HH, etc.)	Exempt
Fed. Home Loan Mortgage Corp. (Freddie Mac)	Taxable

Fed. National Mortgage Assoc. (Fannie Mae)	Taxable
Government National Mortgage Association (Ginnie Mae)	Taxable
Inter-American Development Bank	Taxable
International Bank for Reconstruction and Development	Taxable

Line 42 - Title II Social Security and Tier 1 Railroad Retirement Act Benefits

Enter the amount of Title II Social Security Act benefits and equivalent Tier 1 Railroad Retirement Act benefits included in adjusted gross income on your federal income tax return due to Section 86 of the Internal Revenue Code and received while a resident of Virginia. This is the amount reported as taxable social security benefits on your federal return.

Line 43 - Disability Income

Enter the amount of disability income reported as wages (or payments in lieu of wages) on your federal return for **permanent and total disability**. On joint returns, each spouse can qualify for the deduction. Individuals can deduct up to \$20,000 of disability income as defined under Internal Revenue Code Section 22(c)(2)(b)(iii).

NOTE: Eligible taxpayers may claim **EITHER** this disability income subtraction **OR** the age deduction on Line 38. If you are married filing a joint return, each spouse may claim, if eligible, either an age deduction or disability subtraction. Use the one that benefits you the most.

Line 44 - Other Subtractions

Enter the code and subtraction amount on Lines 44a - 44c.

If you have more than 3 subtractions, enter Code "00" and the total amount of Other Subtractions on Line 44a you are claiming and attach to your return a list showing each of the subtractions along with its subtraction code and amount.

CODE

20 Income From Virginia Obligations

Enter the amount of income from Virginia obligations that you included in your federal adjusted gross income and received while you were a resident of Virginia.

21 Federal Work Opportunity Tax Credit Wages

Enter the amount of wages or salaries eligible for the federal work opportunity tax credit not subtracted for federal income tax purposes and received while a resident of Virginia.

22 Tier 2 and Other Railroad Retirement and Railroad Unemployment Benefits

Enter the amount of Tier 2 vested dual benefits and other Railroad Retirement Act benefits and Railroad Unemployment Insurance Act benefits included in federal adjusted gross income and reported on your federal return as a taxable pension or annuity and received while a resident of Virginia.

If any part of your Tier 1 Railroad Retirement Act benefits paid by the Railroad Retirement Board is properly treated as a fully taxable pension on your federal income tax return, deduct the amount received while a resident of Virginia on this line. Do not include any amount of Tier 1 Railroad Retirement Board retirement benefits that were included in your gross income as the taxable portion of your social security and railroad retirement benefits on your federal return because that portion should be deducted on Line 42.

This subtraction does not apply to supplemental annuities received by retired employees of railroads under a company pension plan set up by a particular railroad, whether the plan was contributory or non contributory.

24 Virginia Lottery Prizes

Enter the amount of each prize less than \$600 awarded to you by the Virginia Lottery Department to the extent included in federal adjusted gross income and received while a resident of Virginia.

28 Virginia National Guard Income

Enter, to the extent included in federal adjusted gross income, the wages or salaries received for active and inactive service in the rank of O3 and below in the Virginia National Guard not to exceed the amount of income derived from up to 39 days of such service or \$3,000, whichever amount is less. This subtraction does not apply to members of: 1) the active or reserve components of the Army, Navy, Air Force or Marines; or 2) the National Guard of other states or the District of Columbia.

29 Operation Joint Endeavor Combat Pay

Enter the amount of combat pay for service in support of Operation Joint Endeavor included in federal adjusted gross income and received while a resident of Virginia.

30 Military Pay and Allowances Attributable to Active Duty Service in a Combat Zone or a Qualified Hazardous Duty Area

To the extent included in federal adjusted gross income and not otherwise subtracted, deducted or exempted, enter any military pay and allowances earned while a resident of Virginia serving by order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area treated as a combat zone for federal tax purposes pursuant to §112 of the Internal Revenue Code.

31 Retirement Plan Income Previously Taxed by Another State

Enter the amount of retirement income, received during the taxable year while a resident of Virginia, on which the contributions were taxed in another state but were deductible from the federal adjusted gross income during the same period. The total amount of this Virginia subtraction cannot exceed the amount of contributions previously taxed by another state. This subtraction applies to retirement income from qualified pension, profit sharing, or stock bonus plans as described by Internal Revenue Code (IRC) Section 401, individual retirement accounts or annuities established under IRC Section 408, deferred compensation plans as defined by IRC Section 457, or any federal government retirement program as long as you paid tax to another state on contributions to the plan.

34 Virginia College Savings Plan Income Distribution or Refund

Enter the amount of any income included in federal adjusted gross income that is attributable to a distribution of benefits or a refund from the Virginia College Savings Plan (previously called the Virginia Higher Education Tuition Trust Fund), in the event of a beneficiary's death, disability or receipt of scholarship.

37 Unemployment Benefits

Enter any taxable unemployment compensation benefits received while a Virginia resident reported as income on your federal income tax return (claim in the same column as the income was reported on Line 6 on the front of the Virginia return).

38 Military Basic Pay

Some taxpayers who qualify as military personnel stationed inside or outside Virginia and who are on extended active duty for more than 90 days can subtract up to \$15,000 of military basic pay received during the taxable year. If the military basic pay does not exceed \$15,000, then the entire amount may be subtracted. If the basic military pay is over \$15,000, then the subtraction is reduced by the amount exceeding \$15,000. For every \$1 of income over \$15,000, the maximum subtraction is reduced by \$1. If your basic military pay is \$30,000 or more, you are not entitled to a subtraction. On joint returns, each spouse can qualify for the subtraction. If you claim this subtraction, you cannot claim a credit for Low Income Individuals.

39 Federal and State Employee Low Income Pay

Any individual who qualifies as a federal or state employee earning \$15,000 or less in annual salary from all employment can subtract up to \$15,000 of the salary from that state or federal job. If both spouses on a joint return qualify, each spouse may claim the subtraction. The subtraction cannot exceed the actual salary received. If you claim this subtraction, you cannot claim a credit for Low Income Individuals.

40 Income Received by Holocaust Victims

To the extent included in FAGI, subtract any income resulting from the return or replacement of assets stolen during the Holocaust and throughout the time period leading up to, during, and directly after World War II as a result of Nazi persecution, individual being forced into labor against their will, transactions with or actions of the Nazi regime, treatment of refugees fleeing Nazi persecution, or holding of such assets by entities or persons in the Swiss Confederation.

41 Tobacco Settlement Fund Income

If you received income while a Virginia resident from the tobacco "Master Settlement Agreement" you may be eligible to claim a subtraction for the amount received, provided it has not been subtracted for federal tax purposes. The income must have been received by (i) tobacco farmers; (ii) persons holding a tobacco marketing quota, or tobacco farm acreage allotment; or (iii) persons with the right to grow tobacco pursuant to a quota or allotment as a result of (a) the tobacco Master Settlement Agreement, (b) the National Tobacco Grower Settlement Trust, and (c) the Tobacco Loss Assistance Program.

42 Gain on the Sale of Land For Open-Space Use

Provides a subtraction for any gain received, while a Virginia resident, on the sale of land or easement to an organization which dedicates the land for open-space use.

44 Medal of Honor Recipients

Enter the amount of military retirement income you received as an individual awarded the Medal of Honor.

45 Avian Influenza

Enter the amount of any indemnification payments received by qualified contract poultry growers and table egg producers as a result of the depopulation of poultry flocks because of avian influenza in 2002. Indemnification payments made to owners of poultry who contract with poultry growers do not qualify for this subtraction.

46 Military Death Gratuity Payments

Enter the amount of military death gratuity payments made after September 11, 2001, to survivors of military personnel killed in the line of duty. This subtraction must be reduced by the amount that is allowed as an exclusion from federal gross income on the survivor's federal income tax return.

49 Certain Death Benefit Payments

Allows a beneficiary taxpayer to subtract the death benefit payments received from an annuity contract that are subject to federal income taxation, for taxable years beginning on or after January 1, 2008.

51 Gains from Land Preservation

This is a subtraction for federal gain or federal income recognized by a taxpayer on the application of a land preservation tax. To the extent a taxpayer's federal return includes gain or loss recognized on the sale or transfer of a Land Preservation Tax Credit, the taxpayer is required to subtract the gain or add back the loss on the Virginia return.

99 Other

Attach a schedule of explanation for other subtractions.

PART IV - STANDARD DEDUCTION

If you did not claim itemized deductions on your federal income tax return, you must claim the standard deduction on your Virginia income tax return. Your allowable standard deduction on Form 760PY will be prorated based on the portion of your federal adjusted gross income that was received while a resident of Virginia.

Line 46 - Standard Deductions

- 46(a) Enter the federal adjusted gross income (Total of Line 32(b), Columns A1 and B1 from Part I).
- 46(b) Enter the income attributable to your period of Virginia residence (Total of Line 32(b), Columns A2 and B2 from Part I).
- 46(c) Divide the amount on Line 46(b) by the amount on Line 46(a) and report as a percentage, not to exceed 100%. Example: 0.3163 becomes 31.6%.
- 46(d) If using Filing Status 1, enter \$3,000. If using Filing Status 2 or 4, enter \$6,000. If using Filing Status 3, enter \$3,000.
- 46(e) Multiply Line 46(c) by Line 46(d). Enter here and on Line 11(a), Form 760PY, Page 1.

When using Filing Status 4, the standard deduction may be allocated between each spouse as you mutually agree. As a general rule, you can lower your combined tax by assigning deductions (Lines 11 and 13) and dependents (Line 12) to each spouse so that the taxable incomes in Columns A and B are as close to equal as possible.

Exception: Dependent's Limited Standard Deduction

If you could be claimed as a dependent on the federal income tax return of another taxpayer, your allowable standard deduction may not exceed the amount of your earned income. This rule applies to dependents of all ages, including children under age 19 and full-time students under 24 years old who are eligible to be claimed as a dependent on their parent's return.

Remember to check the box (on Line 5) on the front of Form

760PY if you can be claimed as a dependent on another's return. Your maximum standard deduction for Line 46(d) is the *lesser* of EARNED INCOME; or

1. \$3,000 if you are single (Filing Status 1)
2. \$6,000 if you are married and file a joint or combined return (Filing Status 2 or 4)
3. \$3,000 if you are filing a separate return from your spouse (Filing Status 3).

EXAMPLE: (Standard Deduction Limited):

A person (claimed as a dependent on another's return) moved to Virginia on June 25, 2009. Before moving to Virginia he had unearned income of \$5,000 in another state. While in Virginia he has interest income from a bank account (unearned income) of \$4,200 and income from a summer job of \$1,200 (earned income). This person's limited standard deduction to be entered on Line 46(e) is \$622.80 which should be rounded to \$623.

The limited standard deduction is computed by multiplying the maximum limited standard deduction on Line 46(d), which is \$1,200 of earned income, by the percentage on Line 46(c), which would be 51.9%. Line 46(d) is \$1,200 because the \$1,200 of earned income is less than the \$3,000 standard deduction for a single taxpayer.

NOTE: The return of a taxpayer claiming a child (or other person) as a dependent is not affected if the child is required to claim a limited standard deduction.

PART V - ITEMIZED DEDUCTION

Line 47 - Virginia Itemized Deduction

If you claimed itemized deductions on your federal income tax return, you must claim itemized deductions on your Virginia income tax return. Your allowable itemized deductions on Form 760PY are expenses claimed on Schedule A for which payment was made while you were a Virginia resident. State and local income tax claimed as an itemized deduction on your federal return is not allowed as a Virginia deduction. If you have an addition or subtraction due to Fixed Date Conformity, you must complete the FDC Worksheet to compute your Virginia itemized deductions.

47(a) Total Federal Itemized Deductions Paid While A Resident Of Virginia

Enter the total itemized deductions claimed on federal Schedule A (or the FDC Worksheet if you have an addition or subtraction due to Fixed Date Conformity) paid while a resident of Virginia.

47(b) State And Local Income Tax

Enter the amount of state and local income tax allowed on your federal Schedule A that was paid while you were a resident of Virginia. Before making an entry on this Line, check to see if your total itemized deductions were limited on your federal return. If your federal adjusted gross income is more than **\$166,800 or \$83,400** if married and filing a separate federal return, your deduction may be limited. The amount of state and local income tax reported on Schedule A must be reduced proportionately to reflect any reduction in total itemized deductions. Complete the ITEMIZED DEDUCTIONS WORKSHEET if you are subject to the limitation. **If you did not claim any state and local income tax on federal Schedule A, enter "0.00" on this line; you do not need to complete the worksheet.**

47(c) Virginia Itemized Deductions

Deduct Line 47(b) from Line 47(a). Enter here and on Line 11(b) on the front of your return. **The copy of your federal income tax return attached to Form 760PY must include the Schedule A.**

**FDC Worksheet
Fixed Date Conformity Modification To
Itemized Deductions**

Enter the information requested on each line. In most cases, the deduction allowed on federal Schedule A will be allowed on the FDC Worksheet. The exceptions are Gifts to Charity (Sch. A, Line 19) and Casualty and Theft Loss (Sch. A, Line 20). These amounts should be recomputed by substituting the amount on Line 5 for the FAGI you used to compute your federal limitations.

Computation of Fixed Date Conformity FAGI

1. Federal Adjusted Gross Income (FAGI) from federal return
2. Fixed date conformity additions to FAGI
3. Subtotal. Add Lines 1 and 2
4. Fixed date conformity subtractions from FAGI
5. Fixed date conformity FAGI. Deduct Line 4 from Line 3

**Modifications to Itemized Deduction Due to
Fixed Date Conformity**

All references are to the same line and amount claimed on the federal Schedule A unless otherwise specified.

6. Medical and dental expenses claimed on federal Schedule A, Line 1
7. Enter amount from Line 5 above
8. Multiply Line 7 above by 7.5% (.075).....
9. Deduct Line 8 from Line 6. If Line 8 is more than Line 6, enter -0-.....
10. Enter the amount from federal Schedule A, Line 9
11. Enter the amount from federal Schedule A, Line 15
12. Enter the amount from federal Schedule A, Line 19
13. Enter the amount from federal Schedule A, Line 20
14. Unreimbursed employee expenses from federal Schedule A, Line 21
15. Tax preparation fees from federal Schedule A, Line 22
16. Other expenses claimed on federal Schedule A, Line 23
17. Add Lines 14 through 16
18. Enter amount from Line 5 above
19. Multiply Line 18 above by 2% (.02).....
20. If Line 19 is more than Line 17, enter '0'. Otherwise deduct Line 19 from Line 17.
21. Enter the amount from federal Schedule A, Line 28
22. Add Lines 9, 10, 11, 12, 13, 20 and 21. Enter here.

Is Line 5 above over \$166,800 (\$83,400 if married filing separately)?

NO - Your deduction is not limited. Enter the amount of deductions attributable to your period of residence in Virginia on Form 760PY, Line 47(a)

YES - Your deduction may be limited. Complete the Virginia Itemized Deduction Worksheet.

**Itemized Deduction Worksheet
State and Local Income Tax Modification
for Federal Adjusted Gross Incomes Over
\$166,800 (\$83,400 If Filing Separately)**

Part I - Total Federal Itemized Deductions

1. Federal Sch. A, total Lines 4, 9, 15, 19, 20, 27 & 28 or Line 22 of the FDC Worksheet on Page 18.....
2. Add the amounts on Schedule A, Lines 4 (or FDC Worksheet Line 9), 14 and 20, plus any gambling losses included on Line 28
3. Deduct Line 2 from Line 1. If the result is zero, stop here and go to the instructions for Line 47(a).....

4. Multiply Line 3 above by 80% (.80).....
5. Enter the total from Form 760PY, Line 6, or the FDC Worksheet, Line 5.....
6. Enter \$166,800 (\$83,400 if married filing a separate federal return)
7. Deduct Line 6 from Line 5. If the result is zero or less, stop here and go to the instructions for Line 47(a).....
8. Multiply Line 7 above by 3% (.03).....
9. Enter the smaller of Line 4 or Line 8.....
10. Divide Line 9 by 1.5
11. Deduct Line 10 from Line 9.....
12. Total itemized deductions. Deduct Line 11 from Line 1; enter result here then continue to Part II ...

Part II - State and Local Income Tax Modification

13. Enter the amount from Line 11 above
14. Enter the amount from Line 3 above
15. Divide Line 13 by Line 14. Enter the result to 3 decimal places (e.g., .053)

	Column 1	Column 2
	Total	While VA
	Sch. A	Resident

- 16 a. Total taxes
- b. Non-investment interest
- c. Charitable contributions
- d. Job expenses and most other misc. expenses.
- e. Other misc.
- f. Subtotal (add Lines 16a through 16e)
17. Reduced Amount: Multiply Line 16f by Line 15
- 18 a. Medical and dental expenses
- b. Investment interest
- c. Casualty and theft losses
- d. Subtotal (add Lines 18a, b and c)
19. Federal itemized deductions. Deduct Line 17 from the total of Lines 16f and 18d. (The amount in Column 1 may be slightly larger or smaller than your total itemized deductions on Schedule A due to rounding on Line 15)
20. Modified Itemized Deductions Paid While A Virginia Resident: Enter amount from Line 19, Column 2, here and on Form 760PY, Line 47(a)
21. Itemized Deductions Modification State & Local Taxes Claimed On Schedule A:
 - a. State and local income taxes included on Line 16a, Column 2
 - b. Multiply Line 21a by Line 15
 - c. Deduct Line 21b from Line 21a. Enter here and on Form 760PY, Line 47(b).....

LINE INSTRUCTIONS FOR SCHEDULE NPY

PART I - AGE DEDUCTION

Are you eligible to claim an age deduction?

For 2009, taxpayers born on or before January 1, 1945, may qualify to claim an age deduction based on birth date, filing status and income. A taxpayer who qualifies to claim an age deduction may **NOT** also claim either of the following:

- **Disability Subtraction (Form 760PY, Line 43)**

If you qualify to claim an age deduction, you may not also claim a disability subtraction. For married taxpayers, each spouse, if eligible, may claim either an age deduction or a disability subtraction.

You should claim the deduction or subtraction that gives you the greatest tax benefit.

- **Credit for Low Income Individuals or Virginia Earned Income Credit**

You may not claim both an age deduction and a Credit for Low Income Individuals or Virginia Earned Income Credit on the same tax return. In addition, for married taxpayers filing separate returns, if one spouse claimed a Credit for Low Income Individuals or Virginia Earned Income Credit, then neither spouse can claim an age deduction.

If you are not claiming a disability subtraction and you, or your spouse if you are married, are not claiming a credit for low income and your birth date is on or before January 1, 1945, please read the instructions below to determine if you qualify for an age deduction and the amount of the age deduction you may claim for 2009.

- **Social Security and Equivalent Tier 1 Railroad Retirement Act Benefits**

Enter Social Security and equivalent Tier 1 Railroad Retirement Act benefits reported as taxable income on your federal return.

Line 1 - Enter Birth Date

- For Filing Status 1, enter your birth date in Column B.
- For Filing Status 2 and 4, enter your birth date in Column B and your spouse's birth date in Column A. Both birth dates are required even if only one qualifies for an age deduction.

Line 2 - Age Deduction

- **Taxpayers Age 65 and Older**

If you, or your spouse if you are married, were **born on or before January 1, 1945**, you may qualify to claim an age deduction of up to \$12,000 each for 2009.

The age deduction you may claim will depend upon your birth date, filing status, and income.

If your birth date is:

- **On or before January 1, 1939**

Your age deduction is not income based. You may claim an age deduction of \$12,000. If you are married, each spouse born on or before January 1, 1939, may claim a \$12,000 age deduction. For a spouse born after January 1, 1939, the age deduction for that spouse is based on the criteria below.

- **On or after January 2, 1939**

Your age deduction is based on your income. A taxpayer's income, for purposes of determining an **income based age deduction**, is the taxpayer's *adjusted federal adjusted gross income* or "AFAGI".

A taxpayer's AFAGI is the taxpayer's federal adjusted gross income, modified for any fixed date conformity adjustments, minus Social Security and Tier 1 Railroad Benefits.

- For Filing Status 1, Single taxpayer, the maximum allowable age deduction of \$12,000 is reduced \$1 for every \$1 the taxpayer's AFAGI exceeds \$50,000.
- For All Married Taxpayers, whether filing jointly or separately, the maximum allowable age deduction of \$12,000 each is reduced \$1 for every \$1 the married taxpayers' joint AFAGI exceeds \$75,000.

To compute your income based age deduction, use the Age 65 and Older Income based Age Deduction Worksheet on the next page.

Also, be sure to enter the following at the top of the section:

- If completing the Age 65 and Older Age Income based Deduction Worksheet on the next page, enter the Adjusted Federal Gross Income (AFAGI) from Line 8 of the worksheet.
- If Filing Status 3 is selected, enter your spouse's birth date.

Notice to ALL Married Taxpayers

A married taxpayer's **income based age deduction** is **always** determined using the married taxpayers' **joint AFAGI**. Regardless of whether you are filing jointly or separately, if you are married, your income based age deduction is determined using both your and your spouse's income.

In addition, if both spouses are claiming an **income based age deduction**, regardless of whether filing jointly or separately, the married taxpayers must compute a joint age deduction first and then allocate half the joint age deduction to each spouse.

Line 3 - Enter Ratio

Enter the ratio amount from the Ratio Schedule on Page 30 for the date you moved into or out of Virginia.

Line 4 - Qualifying Age Deduction

Multiply Line 2 by Line 3 and enter the amount. Also enter this amount of the Form 760PY.

- Filing Status 1 or 3 - Transfer amount from Line 4, Col. B, to Line 38, Col. B, Form 760PY.
- Filing Status 2 - Transfer the total of Line 4, Col. A & B to Line 38, Col. B, Form 760PY.
- Filing Status 4 - Transfer amounts from Line 4 to Line 38, Col. A & B, Form 760PY.

AGE 65 AND OLDER INCOME BASED AGE DEDUCTION WORKSHEET

FOR 2009: Only taxpayers born on or between January 2, 1939, and January 1, 1945, may claim an income based age deduction for 2009. Married taxpayers, regardless of whether filing jointly or separately or whether one or both spouses are claiming an income based age deduction, always enter the combined total of your and your spouse's income.

<p>1. Enter the number of taxpayers born on or between January 2, 1939, and January 1, 1945, who are claiming an income based age deduction for Age 65 and Older.</p> <p>A. Filing Status 1, Single: Enter 1.</p> <p>B. All Married Taxpayers: • If one spouse is eligible to claim an income based age deduction: Enter 1 • If both spouses are eligible to claim an income based age deduction, and both spouses are filing Virginia returns, regardless of whether filing jointly or separately: Enter 2.</p>	
<p>2. Enter your Federal Adjusted Gross Income (FAGI).</p> <p>A. Filing Status 1, Single: Enter your FAGI from your federal return.</p> <p>B. All Married Taxpayers: Enter the combined FAGI for you and your spouse from your federal return(s).</p>	
<p>3. Enter your fixed date conformity (FDC) addition, if applicable.</p> <p>A. Filing Status 1, Single: Enter your FDC addition.</p> <p>B. All Married Taxpayers: Enter the combined FDC addition for you and your spouse.</p>	
<p>4. Add Line 2 and Line 3 and enter the total.</p>	
<p>5. Enter your fixed date conformity (FDC) subtractions, if applicable.</p> <p>A. Filing Status 1, Single: Enter your FDC subtraction.</p> <p>B. All Married Taxpayers: Enter the combined FDC subtraction for you and your spouse.</p>	
<p>6. Deduct Line 5 from Line 4 and enter the difference.</p>	
<p>7. Enter your Social Security and Tier 1 Railroad Benefits.</p> <p>A. Filing Status 1, Single: Enter taxable benefits from your federal return.</p> <p>B. All Married Taxpayers: Enter the combined taxable benefits for you and your spouse from your federal return(s).</p>	
<p>8. Deduct Line 7 from Line 6 and enter the difference. This is your AFAGI.</p>	
<p>9. Enter the income limit for your age deduction</p> <p>A. Filing Status 1, Single: Enter \$50,000.</p> <p>B. All Married Taxpayers: Enter \$75,000.</p>	
<p>10. If Line 8 is less than Line 9, your AFAGI is below the threshold.</p> <p>A. Filing Status 1, Single: Enter \$12,000 here and on your return (Part-Year taxpayer should enter the amount on Form NPY, Line 2 in the appropriate column).</p> <p>B. All Married Taxpayers: Enter \$12,000 here for each spouse claiming an income based age deduction here and on your return (Part-Year taxpayer should enter the amount on Form NPY, Line 2 in the appropriate column).</p>	<p>Spouse</p> <hr/> <p>You</p>
<p>11. If Line 8 is greater than Line 9, deduct Line 9 from Line 8 and enter the difference.</p>	
<p>12. Multiply Line 1 by \$12,000 and enter result.</p>	
<p>13. If Line 11 is greater than Line 12: YOU DO NOT QUALIFY FOR AN AGE DEDUCTION If married and you are computing an income based age deduction for both spouses, neither spouse qualifies for an age deduction.</p>	
<p>14. If Line 12 is greater than Line 11, deduct Line 11 from Line 12 and enter the difference.</p> <p>A. Filing Status 1, Single: This is your age deduction. Enter on your return (Part-Year taxpayer should enter the amount on Form NPY, Line 2 in the appropriate column).</p> <p>B. Married Taxpayer and only one spouse claiming an income based age deduction: This is your age deduction. Enter here and on your return (Part-Year taxpayer should enter the amount on Form NPY, Line 2 in the appropriate column).</p> <p>C. Married Taxpayers and both spouses claiming an income based age deduction - Go to Line 15.</p>	
<p>15. Married Taxpayers and both spouses claiming an income based age deduction: DIVIDE LINE 14 BY 2 Enter here and on your return (Part-Year taxpayers should enter the amount on Form NPY, Line 2 in the appropriate column).</p>	<p>Spouse</p> <hr/> <p>You</p>

PART II - DEDUCTIONS FROM VIRGINIA ADJUSTED GROSS INCOME

Lines 1a - 1c Deductions On Lines 1a-1c, enter the three-digit code, listed in the following table, in the boxes on Schedule NPY, followed by the amount, for any deductions from Virginia adjusted gross income in the categories listed below.

Other Deductions for Lines 1a -1c *If you have more than three deductions on Lines 1a-1c of Schedule NPY, enter the code "000" and the amount of total deductions in the first box and attach an explanation of each deduction to your return.*

Line 2 Filing status 4 filers, enter the total for Column A and Column B in the applicable column of Form 760PY, Line 13. All other filers, enter the total from Column B on Line 13, Column B of Form 760PY.

CODE

101 Child and Dependent Care Expenses

Enter the child and dependent care expenses paid while you were a Virginia resident on which the federal credit for child and dependent care expenses is based. (This is the amount on Federal Form 2441 or Schedule 2 of Form 1040A that is multiplied by the decimal amount.) Do not enter the federal credit amount.

You may claim the deduction for child and dependent care expenses on your Virginia return only if you were eligible to claim a credit for child and dependent care expenses on your federal return. If you filed a joint federal return and you file a separate Virginia return, you may allocate this amount as mutually agreed.

The amount of employment-related expenses that may be deducted is limited to the amount actually used in computing the federal credit for child and dependent care expenses. As a general rule, you are limited to a maximum of \$3,000 for one child and \$6,000 if you are claiming the expenses for two or more dependents, or the earned income of the spouse having the lowest income, whichever is less.

102 Foster Care Deduction

Foster parents may claim a deduction of \$1,000 for each child residing in their home while a Virginia resident under permanent foster care, as defined in the Code of Virginia, providing they claim the foster child as a dependent on their federal and Virginia income tax returns. The foster care deduction must be prorated using the ratio schedule on page 30, based on the period of residence in Virginia.

103 Bone Marrow Screening Fee

Enter the amount of the fee paid while a Virginia resident for an initial screening to become a possible bone marrow donor, if you were not reimbursed for the fee or did not claim a deduction for the fee on your federal return.

104 Virginia College Savings Plan Prepaid Tuition Contract Payments and Savings Account Contributions

If you are under age 70, enter the lesser of \$4,000 or the amount paid while a Virginia Resident during the taxable year for each prepaid tuition contract or a savings trust account entered into with The Virginia College Savings Plan (previously called the Virginia Higher Education Tuition Trust Fund). If you paid more than \$4,000 per contract or account during the year, you may carry forward any undeducted amounts until the purchase price has been fully deducted. If you are age 70 or older, you may deduct the entire amount paid during the year.

105 Continuing Teacher Education

An individual employed as a licensed primary or secondary school teacher may enter a deduction equal to twenty percent of unreimbursed tuition costs incurred to attend continuing teacher education courses that are required as a condition of employment, provided these expenses were incurred while a resident and not deducted from federal adjusted gross income.

106 Long-Term Health Care Premiums

Enter the amount of premiums paid for long-term health care insurance, provided they were not actually included as a deduction on Schedule A of your federal income tax return. In addition, the premiums may not have been used as the basis of the Virginia Long-Term Care Insurance Credit, although the taxpayer may be able to claim both the Credit and the Virginia deduction in the same year. For example, if an individual purchased a policy on July 1 and made payments on a monthly basis, he would claim a credit in the current taxable year for 6 months of premiums and a credit in the second year for the next six months of premiums in order to reach the allowed total of 12 months. In that case, the individual could also claim a deduction in the second year for the 6 months of premiums that were not used as a basis for the credit. See the Schedule CR instructions for more information.

107 Virginia Public School Construction Grants Program and Fund

Enter the amount of total contributions while a Virginia resident to the Virginia Public School Construction Grants Program and Fund, provided you have not claimed a deduction for this amount on your federal income tax return.

108 Tobacco Quota Buyout

Allows a deduction from taxable income for payments received in the preceding year in accordance with the Tobacco Quota Buyout Program of the American Jobs Creation Act of 2004 to the extent included in federal adjusted gross income. For example, on your 2009 Virginia return you may deduct the portion of such payments received in 2008 that is included in your 2008 federal adjusted gross income; while payments received in 2009 may generate a deduction on your 2010 Virginia return. Individuals cannot claim a deduction for a payment that has been, or will be, subtracted by a corporation unless the subtraction is shown on a schedule VK-1 you received from an S Corporation. If you chose to accept payment in installments, the gain from the installment received in the preceding year may be deducted. If, however, you opted to receive a single payment, 10% of the gain recognized for federal purposes in the year that the payment was received may be deducted in the following year and in each of the nine succeeding taxable years.

109 Sales Tax Paid on Certain Energy Efficient Equipment or Appliances

Allows an income tax deduction for 20% of the sales tax paid while a Virginia resident on certain energy efficient equipment or appliances, up to \$500 per year. If filing a joint return you may deduct up to \$1,000.

110 Organ and Tissue Donor Expenses

Allows a deduction for unreimbursed expenses that are paid while a Virginia resident by a living organ and tissue donor, that have not been taken as a medical deduction on

the taxpayer's federal income tax return. The amount of the deduction is the lesser of \$5,000 or the actual amount paid by the taxpayer.

111 Charitable Mileage

Enter the difference between 18 cents per mile and the charitable mileage deduction per mile allowed on federal Schedule A to the extent that the charitable mileage was driven while a resident of Virginia. If you used actual expenses for the charitable mileage deduction, and those expenses were less than 18 cents per mile, then you may use the difference between actual expenses and 18 cents per mile.

112 Bank Franchise Subchapter S Corporation

Certain shareholders of small businesses may be able to deduct the gain or add the loss of the S Corporation. Complete the worksheet below to determine the amount of your adjustment.

- a. If your allocable share of the income or gain of the S Corporation was included in federal adjusted gross income, enter the amount here.\$ _____
- b. If your allocable share of the losses or deductions of the S Corporation was included in federal adjusted gross income, enter the amount here\$ _____
- c. Enter the value of any distributions paid or distributed to you by the S Corporation to the extent that such distributions were excluded from federal adjusted gross income.\$ _____
- d. Add line b and line c.....\$ _____
- e. Deduct line d from line a. This is your net deduction amount. If this amount is negative you must enter the amount on Schedule NPY, line 1a and use brackets to indicate a loss.\$ _____

113 Income from Dealer Disposition of Property

Allows an adjustment for certain income from dealer dispositions of property made on or after January 1, 2009. In the year of disposition the adjustment will be a subtraction for gain attributable to installment payments to be made in future taxable years provided that (i) the gain arises from an installment sale for which federal law does not permit the dealer to elect installment reporting of income, and (ii) the dealer elects installment treatment of the income for Virginia purposes on or before the due date prescribed by law for filing the taxpayer's income tax return. In subsequent taxable years the adjustment will be an addition for gain attributable to any payments made during the taxable year with respect to the disposition. Each disposition must be tracked separately for purposes of this adjustment.

199 Other

Attach an explanation for other deductions.

PART III - COMPUTATION FOR TAX CREDIT FOR LOW INCOME INDIVIDUALS OR VIRGINIA EARNED INCOME CREDIT

You may be eligible to claim a Credit for Low Income Individuals if your family Virginia adjusted gross income (family VAGI) is equal or less than the federal poverty guidelines and you meet the Eligibility Requirements. You are eligible for the Virginia Earned Income Credit if you claimed an earned income credit on your federal return. Claim the credit that benefits you the most. You cannot claim both credits, however. **Please complete the entire section.**

The low income or Virginia earned income credit **may NOT be**

claimed if you, your spouse, or any dependent claims any of the following:

- Virginia National Guard Subtraction (Subtraction Code 28);
- Basic Military subtraction (Subtraction Code 38);
- State and federal employees subtraction for earnings of \$15,000 or less (Subtraction Code 39);
- Exemption for blind taxpayers or taxpayers age 65 and over;
- the Age Deduction; or
- You are claimed as a dependent on another taxpayer's return.

To compute total annual family income you must compute the "Guideline Income" for each family member and add those amounts together.

Guideline Income is defined as federal adjusted gross income modified by the Virginia additions and qualifying Virginia subtractions that apply to full year residents.

After a worksheet below has been filled in for each person on your tax return, complete Schedule NPY, Part III.

If you and your spouse file separate returns, only one spouse may claim the credit.

Income Worksheet

(photocopy as needed)

*The income, additions and subtractions entered on the worksheet **must** be shown for the entire taxable year.*

- 1. FAGI from the federal return.\$ _____
- 2. Interest earned on obligations of other states exempt from federal tax \$ _____
- 3. Other additions to FAGI\$ _____
- 4. Subtotal. Add Lines 1, 2, and 3.\$ _____
- 5. State income tax refund or overpayment credit reported on your federal return.\$ _____
- 6. Income (interest, dividends or gains) on U.S. obligations or securities exempt from state income tax, but not from federal tax.\$ _____
- 7. Social Security or equivalent Tier 1 Railroad Retirement Act benefits reported as taxable income on your federal return.\$ _____
- 8. Disability income reported as wages (or payments in lieu of wages) on your federal return.\$ _____
- 9. Unemployment benefits included in FAGI.\$ _____
- 10. Other subtractions from FAGI.\$ _____
- 11. Add Lines 5 through 10.\$ _____
- 12. Guideline Income. Deduct Line 11 from Line 4. Enter here and on Lines 1-6 (or the attached schedule) of Part II, Schedule NPY for the appropriate person.\$ _____

Lines 1-2 - Family VAGI

If more room is needed, attach a schedule with the name, SSN and Guideline Income for each additional dependent.

Line 1 - Your Information

Enter your name, Social Security Number and Guideline Income. Filing Statuses 2, 3 and 4 must also complete Line 2.

Line 2 - Your Spouse's Information

Enter your spouse's name, Social Security Number and Guideline Income.

All married taxpayers, regardless of filing jointly or separately, must complete this line.

Line 2(a)-2(b) - Dependent(s) Information

Enter the name, and Social Security Number for each dependent claimed as an exemption on your return and, if any of your dependents had income, enter the Guideline Income for each dependent.

For Filing Status 3 (Married Filing Separately) also enter the name and Social Security Number of your dependents not claimed as an exemption on your return and, if any of the dependents had income, enter the Guideline Income for each dependent.

Line 3 - Enter Total Family Guideline Income

Total the Guideline Income Worksheet for each family member (each exemption reported on Lines 1-2b and from any additional schedule attached).

Line 4 - Enter Total Number of Exemptions Listed in Lines 1-2(b) and on Any Attached Schedule.

Enter the total number of exemptions listed on Line 1 through 2b and on any attached schedule.

Determine Eligibility for Credit for Low Income Individuals

Using the number on Line 4 as Eligible Exemptions, compare the dollar amount on Line 3 to the Poverty Guideline below. If the Line 3 amount is greater than the Guideline, you do not qualify for the credit for low income individuals. Continue to Line 7. If the Line 3 amount is less than or equal to the Guideline for the number of exemptions on Line 4, complete Line 5 through Line 10, Schedule NPY, Part III.

Poverty Guideline Table

Eligible Exemptions	Poverty Guideline	Eligible Exemptions	Poverty Guideline
1	\$10,830	5	\$25,790
2	14,570	6	29,530
3	18,310	7	33,270
4	22,050	8*	37,010

*For each additional exemption add \$3,740.

Line 5 - Exemptions

If you are eligible based on the table above, enter the number of personal exemptions **from Form 760PY**.

Line 6 - Multiply

Multiply the number of exemptions reported on Line 5 by \$300. If you do not qualify for the Tax Credit for Low Income Individuals but claimed and Earned Income Credit on your federal return, enter \$0 on Line 6 and proceed to Line 7.

Line 7

Enter the amount of Earned Income Credit claimed on your federal return. If you did not claim an Earned Income Credit on your federal return, enter \$0. When a taxpayer using the married filing separately status computes the Virginia EITC, the taxpayer must first determine the proportion of the earned income that was used to qualify for the federal EITC. That proportion must then be multiplied by the total Virginia EITC, which is 20% of the federal EITC. The spouses may then claim their proportional share of the credit on their separate returns.

Line 8

Multiply Line 7 by 20% (.20).

Line 9

Enter the greater of Line 6 or 8.

Line 10 - Credit

Compare the amount of tax on Form 760PY, Line 17, or on Form 763, Line 18, to the amount on Schedule NPY, Line 9. Enter the lower amount on Line 10. This is your Tax Credit. Also, enter this amount on Form 760PY, Line 18(e) or on Form 763, Line 19(e).



These credits are nonrefundable credits. A nonrefundable credit cannot exceed your tax liability. If you claim any credits on Form 760PY, Line 18(f) or Line 18(g), Form 763, Line 19(f) or Line 19(g), in addition to the low income credit or the Virginia Earned Income Credit, the sum of all nonrefundable credit claimed cannot exceed your tax liability on Form 760PY, Line 17.

Many low income individuals who work and have earned income under \$48,279 may also qualify for up to \$5,657 in Federal Earned Income Credit when filing their federal tax return! See your federal instructions or call 1-800-829-3676 to order Pub 596.

PART IV - CREDIT FOR TAX PAID TO ANOTHER STATE

Generally, Virginia will allow taxpayers filing resident individual income tax returns to claim credit for income tax paid as a nonresident to another state on earned or business income derived from sources outside Virginia 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.

Line 1 - Qualifying Taxable Income Reported to the Other State

To be qualified, the income on this line must be included as taxable income on both the Virginia return and the other state's return. Enter the total taxable income from all of the following that apply to you to the extent that this income was taxed by the other state:

- Earned or business income derived from sources outside Virginia, which is subject to tax by Virginia as well as another state;
- Gain from the sale of a principal residence outside Virginia which was included in federal adjusted gross income;
- Gain from the sale of any capital asset not used in a trade or business.
- Corporation income tax paid to another state (one that does not recognize the federal S Corporation election), by an individual shareholder of an S Corporation. Attach a statement from the S Corporation.

In some states, the tax is computed on total taxable income (from all sources) and then reduced by an allocation percentage. In these cases, you must multiply the total taxable income shown on the other state's return by the allocation percentage in order to determine the amount of income to enter on this line.

If you were taxed as a nonresident of another state while a Virginia resident, enter the amount of qualifying taxable income that is derived from sources in the other state on Line 1. The only exception to this rule involves income on which you were taxed as a nonresident of **Arizona, California, District of Columbia or Oregon**.

If you are a Virginia resident who is a shareholder in an S Corporation that paid income tax to a state which imposes an income tax on the S Corporation and the fiscal year of the S Corporation ended while you were a Virginia resident, enter on Part IV, Line 1 your share of the income subject to tax, as shown on the corporation income tax return filed with the other state.

Attach a copy of the return(s) from the other state(s).

Line 2 - Virginia Taxable Income Tax

Enter the Virginia taxable income from Line 15 of Form 760PY.

Line 3 - Qualifying Tax Paid to Other State

Enter the amount of tax liability reflected on the return you filed with the other state. Enter the abbreviation of the other state in the space provided.

Line 4 - Virginia Income Tax

Enter the amount from Form 760PY, Line 16. If you filed a joint return in the other state and you are using Filing Status 4 on your Virginia return, use the total from Columns A and B on Line 16.

Line 5 - Income Percentage

Divide Line 1 by Line 2. Compute the percentage to one decimal place. (For example, .3163 becomes 31.6%). If the result is greater than 100%, enter 100%. If the income from the other state is from Kentucky, Maryland, North Carolina or West Virginia, see “Special computation involving states bordering Virginia” below to determine the amount to enter on Line 5.

Special Computation Involving States Bordering Virginia

You qualify for a special computation of the out-of-state tax credit for income tax paid to a state which borders Virginia if:

1. You are required to file an individual income tax return with Virginia and only one other state.
2. The other state for which you are claiming a credit is one of the following states which borders Virginia: Kentucky, Maryland, North Carolina or West Virginia.
3. Your only income from the border state was earned income on wages and salaries (generally wages and salaries from which you received a Form W-2 or Form 1099, etc.) or business income reported on federal Schedule C.
4. Your Virginia taxable income is equal to or more than the taxable income on the tax return filed with the other state.

If you meet all four qualifications, enter 100% on Line 5 and write “BORDERS VA” in the margin beside the entry.

Line 7 - Credit

Enter the lesser of Line 3 or Line 6.

Line 8 - Total

Add Line 7, Column A and Column B. Also enter on Form 760PY, Line 18(f).

Note: The sum of Schedule NPY, Part III, Line 10 and Schedule NPY, Part IV, Line 8 cannot exceed your tax liability. Lower the amount of this line if necessary to ensure sum does not exceed.

Attach a complete copy of the state tax return filed in the state for which you claim the credit. Copies of Forms W-2, W-2G, 1099-R are not sufficient to verify payment of the tax to the other state.

PART V - ADDITION TO TAX, PENALTY AND INTEREST

Addition to Tax for Underpayment of Tax

Even if your return results in a refund, you may owe an “addition to tax” for underpaying your withholding or estimated tax. Virginia law requires that you pay your income tax in timely installments throughout the year by having income tax withheld or making payments of estimated tax. If you do not pay at least 90% of your tax in this manner, you may be charged an addition to tax.

There are four (quarterly) installment periods for determining whether you underpaid your tax for the year. If your taxable year is from January 1 through December 31, your quarterly payments are due May 3, June 15, September 15, and January 15 (of the following year). Underpayments are determined as of each installment due date, so an overpayment in one quarter cannot cancel out an underpayment for a previous quarter. The addition to tax does not apply if each payment is made on time and:

- the total tax paid through withholding and timely estimated tax payments is at least 90% (66 2/3% for farmers, fishermen or merchant seamen) of the current year’s tax liability (after nonrefundable credits) or 100% of last year’s tax liability (after nonrefundable credits);
- the sum of the quarterly underpayments for the year is \$150 or less; or
- you meet one of the exceptions computed on Form 760C or Form 760F.

Line 1 - Addition to Tax

Enter the amount of the addition to tax computed on Form 760C (for individuals, estates and trusts) or Form 760F (for farmers, fishermen or merchant seamen). If you underpaid your estimated income tax or had insufficient income tax withheld for the taxable year, you may owe the “addition to tax” computed on Form 760C or Form 760F.

Line 2 - Penalty

The due date for filing a calendar year return is May 3, and the automatic extension provisions apply to returns filed by November 1. Depending on when you file your return, you may be required to compute an extension penalty or a late filing penalty. For more information on due dates and penalty provisions, refer to When to File Your Return section in these instructions.

Extension penalty: If you file your return within six months after the due date and the amount of tax due with the return is more than 10 percent of your total tax liability, you must compute an extension penalty on the balance of tax due. The extension penalty is applied at the rate of two percent per month or part of a month, from the due date through the date of filing. The maximum extension penalty is 12 percent of the tax due. Note: If you do not pay the tax in full when you file your return, a late payment penalty will be assessed at the rate of 6 percent per month or part of a month from the date the return is filed through the date the tax is paid, to a maximum of 30 percent. The late payment penalty is imposed in addition to the extension penalty.

Late filing penalty: If you file your return more than six months after the due date, no extension provisions apply, and you must compute a late filing penalty of 30 percent of the tax due with your return.

Line 3 - Interest

If you filed a tax due return after the filing date, you are liable for interest on the tax due amount on Form 760PY, Line 20, from the due date to the date filed or postmarked. To obtain the daily interest factor, please call (804)367-8031 or contact your locality.

Enter the amount on Schedule NPY, Part V, Line 3.

PART VI - CONTRIBUTIONS AND CONSUMER’S USE TAX

Line 1(a) and 1(b) - Voluntary Contributions from Overpaid Taxes

You may voluntarily donate all or part of your tax refund to one or more qualifying organizations listed below. Enter the two-digit

code(s) and amount(s) you are donating in the boxes on Schedule NPY, Part VI, Lines 1(a) and 1(b).

If you are donating to more than two qualifying organizations, enter the code "00" in the code box and the total amount of all donations. Attach a separate page indicating the amount you wish to contribute to each organization.

Additional information for each organization may be found starting on Page 26.

Code

- 60 Virginia Nongame Wildlife Program
- 61 Democratic Political Party
- 62 Republican Political Party
- 63 U.S. Olympic Committee
- 64 Virginia Housing Program
- 65 Elderly & Disabled Transportation Fund
- 66 Community Policing Fund
- 67 Virginia Arts Foundation
- 68 Open Space Recreation & Conservation Fund
- 76 Historic Resources Fund
- 78 Children of America Finding Hope
- 82 VA War Memorial Foundation & National D-Day Memorial Foundation
- 84 Virginia Federation of Humane Societies
- 85 Tuition Assistance Grant Fund
- 86 Spay and Neuter Fund
- 88 Cancer Centers in the Commonwealth
- 90 Martin Luther King, Jr. Living History and Public Policy Center
- 93 Celebrating Special Children, Inc.

Line 2 - Total Voluntary Contributions

Total Line 1(a) and 1(b). This total may not exceed the amount on Form 760PY, Line 21 minus the total of Line 22 and 23.

Line 3a and 3b - Other Voluntary Contributions

You may make a payment to the following organizations even if you owe a tax balance or if you wish to donate more than your expected refund. Enter the code(s) and amount(s) you are donating in the box on Schedule NPY, Part VI, Lines 3a and 3b.

If you are donating to more than two qualifying organizations, enter the code "00" in the code box and the total amount of all donations. Attach a separate page indicating the amount you wish to contribute to each organization.

Additional information for each organization may be found starting on Page 26.

Code

- 71 Chesapeake Bay Restoration Fund
- 72 Family & Children's Trust Fund (FACT)
- 73 Virginia's State Forests Fund
- 74 VA's Uninsured Medical Catastrophe Fund
- 81 Home Energy Assistance
- 92 Virginia Military Family Relief Fund

Line 4 - Public School and Library Foundations

You may make a payment to the following public school and library foundations even if you owe a tax balance or if you wish to donate more than your expected refund. Enter the six-digit code(s) from the list and amount(s) you are donating in the box on Schedule NPY, Part VI, Lines 4a thru 4c.

If you are donating to more than three qualifying foundations, enter the code "999999" in the code box and the total amount of all donations. Attach a separate page indicating the amount you wish to contribute to each foundation.

School Foundations

Code	Foundation Name
009001	Amherst County Public Schools Education Foundation, Inc.
015001	Augusta County Public School Endowment Fund
019001	The Bedford Area Educational Foundation
023001	Botetourt County Public Schools Education Foundation, Inc.
530001	Blues Education Foundation
027001	Buchanan County Public School Education Foundation
036001	Charles City Education Foundation, Inc.
037001	Charlotte County Education Foundation, Inc.
003001	Charlottesville-Albemarle Public Education Fund, Inc.
550002	Chesapeake Public Schools Educational Foundation
550001	W. Randolph Nichols Scholarship Foundation (Chesapeake)
041001	Chesterfield Public Education Foundation
043001	Clarke County Education Foundation, Inc.
047001	Culpeper Schools Foundation
590001	Danville Public Schools Education Foundation, Inc.
057001	Essex First Education Foundation
059001	Fairfax County Public Schools Education Foundation
610001	Falls Church Education Foundation
065001	Fluvanna Education Foundation
069001	Frederick County Educational Foundation
073001	Gloucester County Public Schools Educational Foundation, Inc.
079001	Greene County Athletic Foundation
079002	The Greene Education Foundation
081001	Greensville County Education Foundation
083001	Halifax County Public Schools Education Foundation
650001	Hampton Educational Foundation
085001	Hanover Education Foundation
660001	The Harrisonburg Education Foundation
087001	Henrico Education Foundation
670001	Hopewell Public Schools Education Foundation
093001	Education Foundation for Isle of Wight Public Schools, Inc.
101001	King William Public Schools Education Foundation, Inc.
103001	Lancaster County Virginia Education Foundation
678001	Lexington City Schools (Name for publication)
680001	The Lynchburg City Schools' Education Foundation, Inc.
683001	City of Manassas Public Schools Education Foundation
685001	Manassas Park Education Foundation
115001	Mathews County Public Schools

119001 Friends of Middlesex County Public Schools
 121001 Montgomery County Educational Foundation
 127001 New Kent Educational Foundation
 700001 Newport News Educational Foundation
 710002 Norfolk Education Foundation
 720001 Norton City Schools
 135001 Nottoway County Public School Foundation
 139001 Page County Education Foundation
 141001 Patrick County Education Foundation
 730001 Petersburg Public Education Foundation
 143001 Pittsylvania Vocational Education Foundation, Inc.
 735001 Poquoson Education Foundation
 740001 Portsmouth Schools Foundation
 147001 Prince Edward Public School Endowment, Inc.
 149001 Prince George Alliance for Education Foundation, Inc.
 153001 Prince William County Public Schools Education Foundation
 750001 Radford High School Foundation, Inc.
 157001 Headwaters Public Education Foundation
 760001 Richmond Public Schools Education Foundation Inc.
 770001 Roanoke City Public Schools Education Foundation, Inc.
 161001 Roanoke County Public Schools Education Foundation, Inc.
 165001 Rockingham Educational Foundation, Inc.
 169001 Southwest Virginia Public Education Foundation, Inc.
 169002 Scott County Foundation for Excellence in Education
 171002 Moore Educational Trust
 171001 Shenandoah Education Foundation, Inc.
 173001 Smyth County Education Foundation
 177001 Spotsylvania Education Foundation
 790001 Staunton City Schools Educational Endowment Fund
 810001 Virginia Beach City Public Schools Education Foundation
 187001 Warren County Educational Endowment, Inc.
 191002 Washington County Public Schools
 820001 Waynesboro City Public Schools
 193002 Westmoreland County Public Schools Education Foundation
 830001 Williamsburg/James City Education Foundation
 840001 Winchester Education Foundation
 195001 Wise County Schools Educational Foundation, Inc.
 197001 Wythe County Public Schools Foundation for Excellence, Inc.
 199001 York Foundation for Public Education

Library Foundations

Code	Foundation Name
200101	Alexandria Library Foundation, Inc
200501	John Randolph Foundation Library Endowment Fund (Appomattox Regional Library System)
201101	Bedford Public Library System Foundation, Inc.
201901	Bristol Public Library Foundation
202301	Campbell County Public Library Foundation
203101	Charles Pinckney Jones Memorial Library
203301	Friends of the Charlotte County Library
204501	Culpeper Library Foundation
204701	Cumberland County Public Library, Inc.
205501	Fairfax County Public Library Foundation, Inc
206301	Galax-Carroll Regional Library Foundation, Inc.
206501	Gloucester Library Endowment Foundation
206901	Hampton Public Library Foundation
207101	Handley Regional Library Endowment
207301	Friends of Henrico County Public Library
207701	Highland County Library, Inc.
208701	The Community Library d/b/a Lancaster Community Library
208901	Friends of the Smoot Library
209101	The Library of Virginia Foundation
209501	Loudoun Library Foundation Inc.
209701	Friends of the Lynchburg Public Library Endowment Fund
210101	Mary Riley Styles Public Library Foundation Trust (Falls Church City Library)
211101	Montgomery-Floyd Regional Library Foundation, Inc.
211301	Friends of the Newport News Public Library
211302	Newport News Public Library System Foundation
211501	Norfolk Public Library Foundation
211901	Friends of the Library Blackstone VA
212101	Orange County Library Foundation
212501	Friends of the Pearisburg Public Library
212701	The Petersburg Library Foundation
212901	Pittsylvania County Public Library Foundation
213301	Portsmouth Public Library Foundation, Inc.
213701	Prince William Public Library System Foundation
213901	Pulaski County Library System Fund
214501	Richmond Public Library Foundation (City)
214901	Roanoke Public Library Foundation (City)
215101	Friends of the Roanoke County Public Library
215301	Rockbridge Regional Library Foundation
215901	Samuels Library Foundation
216101	Shenandoah County Library Foundation
216501	Friends of Kenbridge Public Library

- 216701 Staunton Library Foundation, Inc.
- 217301 Virginia Beach Public Library Endowment Foundation
- 217701 Waynesboro Public Library Foundation
- 217901 Williamsburg Regional Library Foundation
- 218101 Wythe-Grayson Regional Library Foundation

Line 6 - Consumer's Use Tax

You will need to pay Consumer's Use Tax if, during the year, you purchased:

- merchandise by telephone, Internet, or television and no sales tax was charged
- merchandise while outside of Virginia and paid no sales tax
- more than \$100 in merchandise by mail and no sales tax was charged

The consumer's use tax is based on what you paid for the item ("cost price"). "Cost price" does not include separately stated shipping or delivery charges, but it does include a "shipping and handling" charge if listed as a combined item on the sales invoice. If the purchases were from out-of-state mail order catalog(s) and exceed \$100 or any amount from other sources, then you must report this 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 tax is 5% of the total cost price except for food purchased for home consumption. The tax rate on these food purchases is 2.5%.

You may enter the amount of the Consumer's Use Tax you owe on Schedule NPY, Part VI, Line 6 or file **Form CU-7** to pay the Consumer's Use Tax. If you enter your Consumer's Use Tax amount on your Schedule NPY, do not file Form CU-7.

Line 7 - Total Contributions and Consumer's Use Tax

Enter the total of Line 5 plus Line 6. Also enter this amount on Form 760PY, Line 24.

Organization Information

Code Organization

60 Virginia Nongame & Endangered Wildlife Program

This fund provides for research, management, and conservation of nongame wildlife species and habitats, including those listed by state or federal agencies as Endangered or Threatened, and those identified as Species of Greatest Conservation Need in Virginia's Wildlife Action Plan.

**Department of Game & Inland Fisheries
Nongame & Endangered Wildlife Program
P.O. Box 11104
Richmond, VA 23230-1104
(804) 367-6913
www.dgif.virginia.gov**

61 Democratic Party

62 Republican Party

Each spouse may contribute up to \$25 to the Democratic Party (code 61) or Republican Party (code 62).

63 U.S. Olympic Committee

The U.S. Olympic Committee is dedicated to its leadership role in the global Olympic movement. We challenge thousands of youth and adults to use sport as a vehicle to live more productive and meaningful lives every day. By contributing all or a portion of your Virginia tax refund, you will support Olympic and Paralympic hopefuls with the coaching, equipment, travel, nutrition and sports services necessary to compete with the world's best. Our athletes can't make it to the Games without you!

**U.S. Olympic Committee Development Division
1 Olympic Plaza
Colorado Springs, CO 80909-5760
(800) 775-USOC
www.teamusa.org**

64 Virginia Housing Program

Supports locally-based organizations providing housing assistance to the low-income elderly, persons with mental or physical disabilities, and the homeless in need of emergency, transitional or permanent housing.

**Check-Off for Housing Programs
Department of Housing & Community Development
Main Street Centre
600 East Main Street
Suite 300
Richmond, VA 23129-1321
(804) 371-7100**

65 Elderly and Disabled Transportation Fund

Provides transportation to jobs, medical care and other services for elderly or disabled Virginians who cannot drive or use public transportation.

**Department for the Aging
1600 Forest Avenue, Suite 102
Richmond, VA 23229
(804) 662-9333**

66 Community Policing Fund

Supports projects and services between law enforcement agencies and their communities that work to build local partnerships and encourage problem-solving relationships.

**Department of Criminal Justice Services
Community Policing Fund
1100 Bank Street
Richmond, VA 23219-1924
(804) 786-2407**

67 Virginia Arts Foundation

Supports local artists, arts groups, and schools in every city and county in Virginia.

**Virginia Arts Foundation
c/o Virginia Commission for the Arts
223 Governor Street
Richmond, VA 23219-2010
arts@arts.virginia.gov or (804) 225-3132
www.arts.virginia.gov**

68 Open Space Recreation and Conservation Fund

These funds are used by the Department of Conservation and Recreation to acquire land for recreational purposes and preserve natural areas; to develop, maintain and improve state parks and state park facilities and to provide matching recreational grants to localities.

**Virginia Department of Conservation and Recreation
Open Space Recreation & Conservation Fund
203 Governor Street, Suite 402
Richmond, VA 23219
(804) 786-1712**

71 Chesapeake Bay Restoration Fund

More than half of Virginia's lands drain into the Chesapeake Bay. This fund is used to help meet needs identified in the state's clean up plan for the Bay and the waters that flow into it, also known as the Virginia Tributary Strategy.

Virginia Secretary of Natural Resources
1111 E. Broad Street, 4W
Richmond, VA 23219
(804) 786-0044

72 Family and Children's Trust Fund

Family and Children's Trust Fund Contributions support family violence treatment and prevention of child and elder abuse/neglect, domestic violence, dating violence and suicide prevention in local communities and through statewide public awareness and education activities.

Family and Children's Trust Fund
7 North Eighth Street
Richmond, VA 23219
familyandchildrens.trustfund@dss.virginia.gov
(804) 726-7604
www.fact.state.va.us

73 Virginia's State Forests Fund

State Forests are managed to sustain multiple natural resources and values (benefits). Conservation practices protect wetlands, enhance critical wildlife habitat and preserve unique natural areas for biodiversity and provide long-term applied research for restoration and reforestation of native species. Demonstration areas provide private forest landowners with practical, effective solutions to resource management challenges. Recreation opportunities and conservation educational programs are available statewide in all seasons to any age or experience level.

Virginia Department of Forestry
Attn: State Forest Fund
900 Natural Resources Drive, Suite 800
Charlottesville, VA 22903
(434) 977-6555

74 Virginia's Uninsured Medical Catastrophe Fund

Assists with medical expenses of Virginia residents who face a life-threatening medical catastrophe.

Uninsured Medical Catastrophe Fund
600 E. Broad St., 12th Floor
Richmond, VA 23219
(804) 786-3528

76 Historic Resources Fund

Supports preservation of historic landmarks and historic preservation projects.

Virginia Department of Historic Resources
2801 Kensington Avenue
Richmond, VA 23221
(804) 367-2323

78 Children of America Finding Hope

Uses proven strategies and programs to meet emotional and physical needs of children who are disadvantaged, runaways, in crisis, and delinquent by providing hope in a tangible form regardless of religion, race, gender, or socioeconomic status.

Children of America Finding Hope Inc.
P.O. Box 926
Vansant, VA 24656
1-877-700-CAFH (2234) or www.CAFH.net

81 Home Energy Assistance Fund

Supports the provision of heating, cooling, energy crisis assistance and weatherization services for low income families.

Home Energy Assistance Program
730 East Broad Street, 7th Floor
Richmond, VA 23219-1849
(804) 692-1728

82 VA War Memorial Foundation and National D-Day Memorial Foundation

Contributions will be equally divided between these organizations. Below is a description of the organizations:

Virginia War Memorial Foundation

The Memorial honors Virginians who have been Killed In Action since the beginning of World War II. On the soaring glass and stone walls of the Memorial's Shrine of Memory, the names of 11,639 Virginians who made the ultimate sacrifice are engraved. To honor these sacrifices, the Memorial has developed several award-winning educational programs that have been distributed free to all middle and high schools state-wide. The Memorial conducts ceremonies, events, and has exhibits that are free and open to the public. See website: www.vawarmemorial.org

Virginia War Memorial Foundation
621 S. Belvidere Street
Richmond, VA 23220
(804) 786-2060
Email: info@vawarmemorial.org
www.vawarmemorial.org

National D-Day Memorial Foundation

Exists to honor the valor, fidelity, and sacrifice of the Allied Forces on D-Day, June 6, 1944. It also exists to educate – ensuring that the D-Day legacy remains clear, meaningful, and accessible to present and future generations.

National D-Day Memorial Foundation
202 East Main Street
P. O. Box 77
Bedford, VA 24523
(800) 351-DDAY * (540) 586-DDAY

Email: dday@dday.org or Visit us at: www.dday.org

84 Virginia Federation of Humane Societies

Committed to promoting and improving the welfare of animals in Virginia through counsel, support, and education, and Spay Virginia, a project addressing the overpopulation of companion animals through the development of resources for pet owners with limited income.

Virginia Federation of Humane Societies, Inc.
P.O. Box 50058
Arlington, VA 22205-9998
(703) 294-4949

85 Tuition Assistance Grant Fund

State Council of Higher Education for Virginia (SCHEV) Administers the Tuition Assistance Grant (TAG) Program available to Virginia residents enrolled full time in one of 31 Virginia private, nonprofit colleges or universities. Contributions support choice and affordability for eligible undergraduate or graduate degree-seeking students enrolled in participating TAG institutions. Students apply at the college financial aid office or, for more details, visit www.explorevirginiacolleges.com. For more information about SCHEV, please visit www.schev.edu.

State Council of Higher Education for Virginia
James Monroe Bldg. 10th Floor
101 N. 14th Street,
Richmond, VA 23219
(804) 225-2600

86 Spay and Neuter Fund

All moneys contributed shall be paid to the Spay and Neuter Fund for use by localities in the Commonwealth for providing low-cost spay and neuter surgeries through direct provision or contract or each locality may make the funds available to any private, nonprofit sterilization program for dogs and cats in such locality. The Tax Commissioner shall determine annually the total amounts designated on all returns from each locality in the Commonwealth, based upon the locality that each filer who makes a voluntary contribution to the Fund lists as his permanent address. The State Treasurer shall pay the appropriate amount to each respective locality.

Virginia Federation of Humane Societies, Inc.
P.O. Box 50058
Arlington, VA 22205-9998
(703) 294-4949

88 Virginia Cancer Centers

Virginia Cancer Centers – Virginia is fortunate to have two National Cancer Institute-designated Cancer Centers to serve the people of the Commonwealth: the VCU Massey Cancer Center and the University of Virginia Cancer Center. These two Cancer Centers work together to deliver the leading edge in contemporary cancer care in a supportive and compassionate environment, and to change the future of cancer care through research. Your contribution will enable us to help cancer patients today, and those who will be cancer patients in the future.

University of Virginia Cancer Center
P.O. Box 800773
Charlottesville, VA 22908-0773
(434) 924- 8432

www.healthsystem.virginia.edu/internet/cancer/

Massey Cancer Center
Virginia Commonwealth University
P.O. Box 980214
Richmond, VA 23298-0214
(804) 828-1450
www.massey.vcu.edu/

90 Martin Luther King, Jr. Living History and Public Policy Center

Martin Luther King, Jr. Living History and Public Policy Center, the permanent memorial to Dr. King required by state law, is a consortium of public and private

institutions of higher education which continues the work and perpetuates the legacy of Dr. King through a “virtual center.” The Center is designed to offer, among other things: educational and cultural programs throughout the Commonwealth; public policy analysis of contemporary issues relative to the principles of Dr. King; scholarly research and publications; public and private undergraduate and graduate programs interfacing; support of the Standards of Quality and of academic programs in private schools; doctoral fellowships; partnerships with business and industry, professional and community organizations, and local, state, and federal governments; community outreach and service activities; a centralized multi-purpose, archival database of information pertaining to African Americans and other minority populations in Virginia; and the Living History Museum, a repository for the acquisition and preservation of historical and cultural documents, memorabilia, and artifacts related to Dr. King, the Civil Rights Movement, the African Diaspora, and African American history in Virginia. The Center is available to citizens throughout the Commonwealth.

Martin Luther King, Jr. Living
History and Public Policy Center
923 West Franklin Street
P. O. Box 842028
Richmond, VA 23284-2028
(804) 827-0840

92 Virginia Military Family Relief Fund

In 2006, with support from the Virginia Legislature, Governor Tim Kaine established the Military Family Relief Fund (MFRF). This is a quick response grant program to assist military and Family members of the Virginia National Guard and the United States Reserve Components who are residents of Virginia, and, who are called to active duty for periods in excess of 90 days in support of Operation Enduring Freedom and Operation Iraqi Freedom and up to 180 days after their return. The Military Family Relief Fund assists military families with urgent or emergency needs relating to living expenses including but not limited to food, housing, utilities, and medical services. Each need is considered on its own merit.

Virginia National Guard Family Programs
Ft. Pickett, BLDG 316
Blackstone, VA 23824
(434) 298-6129 or 1-800-542-4028

93 Celebrating Special Children

Celebrating Special Children makes available printed and web-based resource information for all parents and care givers of infants and young children with disabilities throughout the Commonwealth of Virginia.

Join the movement for more birthdays! Visit morebirthdays.com and declare the American Cancer Society the official sponsor of your birthday.

Celebrating Special Children, Inc.
American Cancer Society
11331 Amherst Avenue
Silver Spring, MD 20902
(301) 929-5088

TAX RATE SCHEDULE

IF YOUR VIRGINIA TAXABLE INCOME IS:

Not over \$3,000, your tax is 2% of your Virginia taxable income.

	but not over—	your tax is—	of excess over—
\$ 3,000	\$ 5,000	\$ 60 + 3 %	\$ 3,000
\$ 5,000	\$17,000	\$ 120 + 5 %	\$ 5,000
\$17,000		\$ 720 + 5.75 %	\$17,000

Example

If your taxable income is \$90,000, your tax is \$720 + 5.75% of the amount over \$17,000.
This equals \$720 + (.0575 x \$73,000) = \$720 + \$4,197.50 = \$4,917.50 which should be rounded to
\$4,918.

TAX TABLE

The tax table can be used if your Virginia taxable income is listed in the table. Otherwise, use the Tax Rate Schedule.

Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is	Taxable Income is At Least	But Less Than	Your Tax Is
\$ 0	— \$ 25	\$ 0.00	\$ 1,975	— \$ 2,025	\$ 40.00	\$ 3,650	— \$ 3,683	\$ 80.00	\$ 4,983	— \$ 5,017	\$ 120.00	\$ 6,560	— \$ 6,600	\$ 199.00
	25 — 75	1.00		2,025 — 2,075	41.00		3,683 — 3,717	81.00		5,017 — 5,040	121.00		6,600 — 6,640	201.00
	75 — 125	2.00		2,075 — 2,125	42.00		3,717 — 3,750	82.00		5,040 — 5,080	123.00		6,640 — 6,680	203.00
	125 — 175	3.00		2,125 — 2,175	43.00		3,750 — 3,783	83.00		5,080 — 5,120	125.00		6,680 — 6,720	205.00
	175 — 225	4.00		2,175 — 2,225	44.00		3,783 — 3,817	84.00		5,120 — 5,160	127.00		6,720 — 6,760	207.00
	225 — 275	5.00		2,225 — 2,275	45.00		3,817 — 3,850	85.00		5,160 — 5,200	129.00		6,760 — 6,800	209.00
	275 — 325	6.00		2,275 — 2,325	46.00		3,850 — 3,883	86.00		5,200 — 5,240	131.00		6,800 — 6,840	211.00
	325 — 375	7.00		2,325 — 2,375	47.00		3,883 — 3,917	87.00		5,240 — 5,280	133.00		6,840 — 6,880	213.00
	375 — 425	8.00		2,375 — 2,425	48.00		3,917 — 3,950	88.00		5,280 — 5,320	135.00		6,880 — 6,920	215.00
	425 — 475	9.00		2,425 — 2,475	49.00		3,950 — 3,983	89.00		5,320 — 5,360	137.00		6,920 — 6,960	217.00
	475 — 525	10.00		2,475 — 2,525	50.00		3,983 — 4,017	90.00		5,360 — 5,400	139.00		6,960 — 7,000	219.00
	525 — 575	11.00		2,525 — 2,575	51.00		4,017 — 4,050	91.00		5,400 — 5,440	141.00		7,000 — 7,040	221.00
	575 — 625	12.00		2,575 — 2,625	52.00		4,050 — 4,083	92.00		5,440 — 5,480	143.00		7,040 — 7,080	223.00
	625 — 675	13.00		2,625 — 2,675	53.00		4,083 — 4,117	93.00		5,480 — 5,520	145.00		7,080 — 7,120	225.00
	675 — 725	14.00		2,675 — 2,725	54.00		4,117 — 4,150	94.00		5,520 — 5,560	147.00		7,120 — 7,160	227.00
	725 — 775	15.00		2,725 — 2,775	55.00		4,150 — 4,183	95.00		5,560 — 5,600	149.00		7,160 — 7,200	229.00
	775 — 825	16.00		2,775 — 2,825	56.00		4,183 — 4,217	96.00		5,600 — 5,640	151.00		7,200 — 7,240	231.00
	825 — 875	17.00		2,825 — 2,875	57.00		4,217 — 4,250	97.00		5,640 — 5,680	153.00		7,240 — 7,280	233.00
	875 — 925	18.00		2,875 — 2,925	58.00		4,250 — 4,283	98.00		5,680 — 5,720	155.00		7,280 — 7,320	235.00
	925 — 975	19.00		2,925 — 2,975	59.00		4,283 — 4,317	99.00		5,720 — 5,760	157.00		7,320 — 7,360	237.00
	975 — 1,025	20.00		2,975 — 3,025	60.00		4,317 — 4,350	100.00		5,760 — 5,800	159.00		7,360 — 7,400	239.00
	1,025 — 1,075	21.00		3,025 — 3,050	61.00		4,350 — 4,383	101.00		5,800 — 5,840	161.00		7,400 — 7,440	241.00
	1,075 — 1,125	22.00		3,050 — 3,083	62.00		4,383 — 4,417	102.00		5,840 — 5,880	163.00		7,440 — 7,480	243.00
	1,125 — 1,175	23.00		3,083 — 3,117	63.00		4,417 — 4,450	103.00		5,880 — 5,920	165.00		7,480 — 7,520	245.00
	1,175 — 1,225	24.00		3,117 — 3,150	64.00		4,450 — 4,483	104.00		5,920 — 5,960	167.00		7,520 — 7,560	247.00
	1,225 — 1,275	25.00		3,150 — 3,183	65.00		4,483 — 4,517	105.00		5,960 — 6,000	169.00		7,560 — 7,600	249.00
	1,275 — 1,325	26.00		3,183 — 3,217	66.00		4,517 — 4,550	106.00		6,000 — 6,040	171.00		7,600 — 7,640	251.00
	1,325 — 1,375	27.00		3,217 — 3,250	67.00		4,550 — 4,583	107.00		6,040 — 6,080	173.00		7,640 — 7,680	253.00
	1,375 — 1,425	28.00		3,250 — 3,283	68.00		4,583 — 4,617	108.00		6,080 — 6,120	175.00		7,680 — 7,720	255.00
	1,425 — 1,475	29.00		3,283 — 3,317	69.00		4,617 — 4,650	109.00		6,120 — 6,160	177.00		7,720 — 7,760	257.00
	1,475 — 1,525	30.00		3,317 — 3,350	70.00		4,650 — 4,683	110.00		6,160 — 6,200	179.00		7,760 — 7,800	259.00
	1,525 — 1,575	31.00		3,350 — 3,383	71.00		4,683 — 4,717	111.00		6,200 — 6,240	181.00		7,800 — 7,840	261.00
	1,575 — 1,625	32.00		3,383 — 3,417	72.00		4,717 — 4,750	112.00		6,240 — 6,280	183.00		7,840 — 7,880	263.00
	1,625 — 1,675	33.00		3,417 — 3,450	73.00		4,750 — 4,783	113.00		6,280 — 6,320	185.00		7,880 — 7,920	265.00
	1,675 — 1,725	34.00		3,450 — 3,483	74.00		4,783 — 4,817	114.00		6,320 — 6,360	187.00		7,920 — 7,960	267.00
	1,725 — 1,775	35.00		3,483 — 3,517	75.00		4,817 — 4,850	115.00		6,360 — 6,400	189.00		7,960 — 8,000	269.00
	1,775 — 1,825	36.00		3,517 — 3,550	76.00		4,850 — 4,883	116.00		6,400 — 6,440	191.00		8,000 — 8,040	271.00
	1,825 — 1,875	37.00		3,550 — 3,583	77.00		4,883 — 4,917	117.00		6,440 — 6,480	193.00		8,040 — 8,080	273.00
	1,875 — 1,925	38.00		3,583 — 3,617	78.00		4,917 — 4,950	118.00		6,480 — 6,520	195.00		8,080 — 8,120	275.00
	1,925 — 1,975	39.00		3,617 — 3,650	79.00		4,950 — 4,983	119.00		6,520 — 6,560	197.00		8,120 — 8,160	277.00

COUNTIES (CONTINUED)

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

Rappahannock County - 157
P.O. Box 115, Washington, VA 22747-0115
540-675-5370

Richmond County - 159
P.O. Box 366, Warsaw, VA 22572
804-333-3722

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
P.O. Box 517, Lebanon, VA 24266
276-889-8018

Scott County - 169
202 W. Jackson St., Suite 114, 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
757-653-3032

Spotsylvania County - 177
P.O. Box 175, Spotsylvania, VA 22553
540-507-7054

Stafford County - 179
P.O. Box 98, Stafford, VA 22555-0098
540-658-4132

Surry County - 181
P.O. Box 35, Surry, VA 23883
757-294-5225

Sussex County - 183
P.O. Box 1398, Sussex, VA 23884
434-246-1022

Tazewell County - 185
101 E. Main St., Tazewell, VA 24651
276-988-1235

Warren County - 187
P.O. Box 1775, Front Royal, VA 22630
540-635-2651

Washington County - 191
174 E. Main St., Ste. B, Abingdon, VA 24210-2839
276-676-6270

Westmoreland County - 193
P.O. Box 68, Montross, VA 22520
804-493-9052

Wise County - 195
P.O. Box 1278, Wise, VA 24293
276-328-3557

Wythe County - 197
225 S. 4th Street, Ste. 101, Wytheville, VA 24382
276-223-6015

York County - 199
P.O. Box 90, Yorktown, VA 23690-0090
757-890-3381

CITIES

Alexandria City* - 510
Refund: P.O. Box 1498, Richmond, VA 23218-1498
Tax Due: P.O. Box 760, Richmond, VA 23218-0760
703-746-3901

Bedford City - 515
215 E. Main St., Room 110, Bedford, VA 24523
540-587-6051

Bristol City - 520
497 Cumberland St., Bristol, VA 24201
276-645-7316

Buena Vista City - 530
2039 Sycamore Ave., Buena Vista, VA 24416-3113
540-261-8310

Charlottesville City - 540
P.O. Box 9031, Charlottesville, VA 22906
434-970-3160

Chesapeake City - 550
P.O. Box 15285, Chesapeake, VA 23328
757-382-6732

Colonial Heights City - 570
P.O. Box 3401, Colonial Heights, VA 23834
804-520-9280

Covington City - 580
P.O. Drawer 58, Covington, VA 24426-0058
540-965-6350

Danville City - 590
P.O. Box 480, Danville, VA 24543
434-799-5145

Emporia City - 595
P.O. Box 956, Emporia, VA 23847
434-634-5405

Fairfax City - 600
10455 Armstrong St., Rm. 224
Fairfax, VA 22030-3649
703-385-7880

Falls Church City - 610
300 Park Avenue, Ste. 104-E,
Falls Church, VA 22046-3301
703-248-5065

Franklin City - 620
P.O. Box 389, Franklin, VA 23851
757-562-8547

Fredericksburg City - 630
P.O. Box 644, Fredericksburg, VA 22404
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

Hampton City - 650
P.O. Box 636, Hampton, VA 23669-0636
757-727-6690

Harrisonburg City - 660
P.O. Box 20031, Harrisonburg, VA 22801-7531
540-432-7704

Hopewell City - 670
P.O. Box 1604, Hopewell, VA 23860
804-541-2238

Lexington City - 678
P.O. Box 922, Lexington, VA 24450
540-462-3701

Lynchburg City - 680
P.O. Box 858, Lynchburg, VA 24505-0858
434-455-3870

Manassas City - 683
Refund: P.O. Box 1498, Richmond, VA 23218-1498
Tax Due: P.O. Box 760, Richmond, VA 23218-0760
703-257-8298

Manassas Park City - 685
One Park Center Ct., Manassas Park, VA 20111
703-335-8825

Martinsville City - 690
P.O. Box 1222, Martinsville, VA 24114-1222
276-403-5131

Newport News City - 700
2400 Washington Ave., Newport News, VA 23607-4389
757-926-8653

Norfolk City - 710
P.O. Box 2260, Norfolk, VA 23501
757-664-7885

Norton City - 720
P.O. Box 347, Norton, VA 24273
276-679-0031

Petersburg City - 730
135 N. Union St., Petersburg, VA 23803
804-733-3151

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

Radford City - 750
619 Second St., Room 161, Radford, VA 24141
540-731-3613

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

Roanoke City - 770
P.O. Box 718, Roanoke, VA 24004
540-853-6543

Salem City - 775
P.O. Box 869, Salem, VA 24153
540-375-3019

Staunton City - 790
P.O. Box 4, Staunton, VA 24402-0004
540-332-3829

Suffolk City - 800
P.O. Box 1459, Suffolk, VA 23439-1459
757-514-4260

Virginia Beach City - 810
City Hall, Bld. 1, 2401 Courthouse Dr.
Virginia Beach, VA 23456-9002
757-385-4483

Waynesboro City - 820
503 W Main St., Room 107, Waynesboro, VA 22980
540-942-6610

Williamsburg City - 830
P.O. Box 245, Williamsburg, VA 23187
757-220-6150

Winchester City - 840
P.O. Box 546, Winchester, VA 22604
540-667-1815

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.

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