

INSTRUCTIONS FOR COMPLETING FORM 500-T

Who is required to file Form 500-T?

Every telecommunications company as defined by statute and certified by the State Corporation Commission must complete Form 500-T.

Corporations, partnerships and all other types of telecommunications companies must complete Form 500, Virginia Corporation Income Tax Return. A noncorporate telecommunications company must calculate an income tax liability as if it were a corporation and attach Form 500-T to its working papers or Form 500 to show calculations for Virginia Corporation Income Tax. Both Form 500-T and the working papers or Form 500, Virginia Corporation Income Tax Return, must be filed together when a return is due.

Partnerships and all other noncorporate telecommunications companies must write along the top margin of Form 500 "RETURN BY NONCORPORATE TELECOMMUNICATIONS COMPANY."

Noncorporate companies are required to submit with this schedule a schedule that lists the name, address, tax identification number and proportionate share of the telecommunications company's income and credit taxable to each entity, partner or other person.

Where to obtain additional information:

If you have any questions concerning your status as a telecommunications company or the amount of your gross receipts, contact the Public Service Taxation Division of the State Corporation Commission at P.O. Box 1197, Richmond, Virginia 23218 or at (804) 371-9679.

When and where to file:

Form 500 with Form 500-T is due the fifteenth day of the fourth month after the close of your taxable year. File your return and attachments with the **Virginia Department of Taxation, P.O. Box 1500, Richmond, Virginia 23218-1500.**

INSTRUCTIONS:

Before beginning this schedule you must first complete Lines 1 through 9 of Form 500.

If a telecommunications corporation is included in a combined or consolidated corporation income tax return, see 23 Virginia Administrative Code (VAC) 10-120-86(B)(1).

Items not specifically mentioned below are self-explanatory on the schedule.

PART I CORPORATION INCOME TAX CREDITS

Line 1 Enter the Corporate Income Tax liability from Line 9 of Form 500, Virginia Corporation Income Tax Return.

Line 2 For information on these credits refer to Form 500, Virginia Corporation Income Tax Return instructions.

PART II MINIMUM TAX COMPUTATION

If Line 7 is the same as the Adjusted Corporate Income Tax liability (on Line 3, Part I), complete the balance of Form 500, Virginia Corporation Income Tax Return, beginning with Line 10, using the credits on items 2(A) through (T) of the schedule.

If Line 7 is the same as the Minimum tax, enter this amount on Form 500, Virginia Corporation Income Tax Return, Line 11 and complete the balance of the Form 500 beginning with Line 12. Line 10, Form 500 will be blank.

MINIMUM TAX RATE SCHEDULE

Gross Receipts Earned During Calendar Year	Minimum Tax Rate of Gross Receipts
1989	1.2%
1990	1.2%
1991	1.0%
1992	0.9%
1993	0.8%
1994	0.7%
1995	0.6%
1996	0.5%
1997	0.5%
1998	0.5%
1999 and years thereafter	0.5%

FISCAL YEAR FILERS USING THE MINIMUM TAX RATE SCHEDULE — Use the tax rate for the calendar year that ended during the fiscal year.

SHORT TAXABLE PERIODS — For the amounts on Line 4, and the tax rate on Line 5(A), report the gross receipts and the related tax rate for the calendar year that ended during the period; or if no calendar year ended, use the gross receipts and tax rate for the most recent calendar year which ended BEFORE the taxable period. Prorate the minimum tax on Line 5(B) by multiplying the minimum tax by the number of months in the short taxable period then dividing by 12. Enter the result on the appropriate line.

PART III NONCORPORATE TELECOMMUNICATIONS COMPANIES

A noncorporate telecommunications company must calculate its minimum tax liability. Additionally, it must calculate an income tax liability as if it were a corporation (a statement must be attached showing how the corporate income tax was calculated). If the minimum tax is greater than the calculated corporate income tax, the noncorporate telecommunications company must pay an amount equal to the difference (Line 10) when filing this schedule.