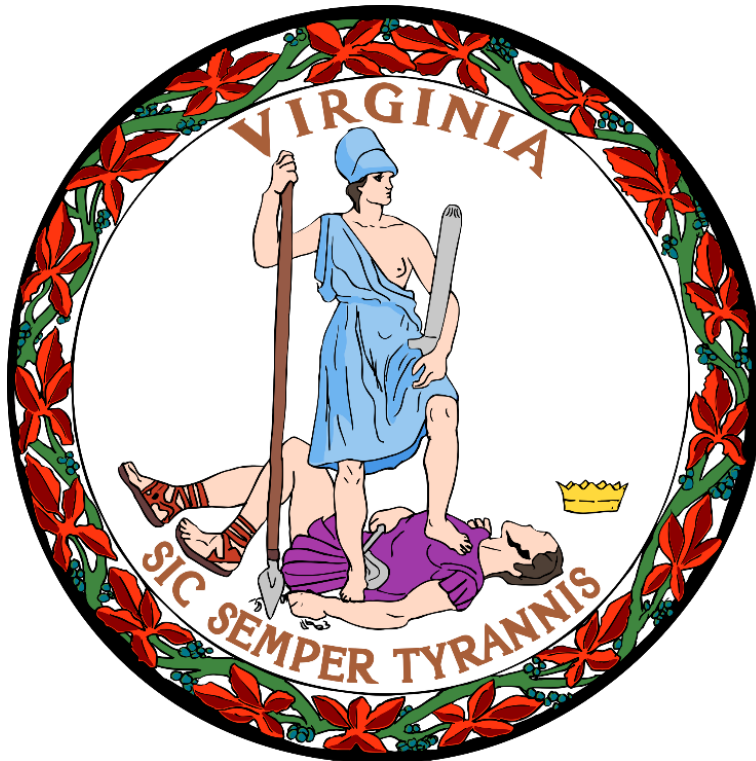


# Virginia Department of Taxation



## Fiduciary (Estate / Trust) e-File Guide and Specifications

Tax Year 2020



# Table of Contents

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<b>1 OVERVIEW</b>	<b>3</b>
<b>2 SUMMARY OF CHANGES AFFECTING E-FILE DEVELOPMENT</b>	<b>3</b>
2.1 GENERAL UPDATES	3
2.2 AMENDED RETURN REASON CODES	3
2.3 FORM 502FED-1	3
2.4 EXCEPTION MET ON ADDITION TO TAX	4
<b>3 DEVELOPER CONTACTS AND RESOURCES</b>	<b>4</b>
3.1 EMAIL UPDATES	4
3.2 PHONE NUMBERS & EMAIL	4
3.3 WEBSITE RESOURCES	4
3.4 VIRGINIA’S FIXED DATE CONFORMITY WITH THE INTERNAL REVENUE CODE	4
<b>4 OVERVIEW OF VIRGINIA FEDERAL / STATE E-FILE PROGRAM</b>	<b>5</b>
4.1 DESCRIPTION	5
4.2 SUPPORTED TAX YEARS	5
4.3 VIRGINIA E-FILE CALENDAR – TAX YEAR 2020	5
4.4 SOFTWARE DESIGN INFORMATION	5
4.5 ROUTINE SYSTEM MAINTENANCE	5
<b>5 TYPES OF ELECTRONIC FILING</b>	<b>6</b>
5.1 LINKED RETURNS	6
5.2 UNLINKED RETURNS	6
<b>6 FORMS AND SCHEDULES FOR E-FILE</b>	<b>6</b>
6.1 FORMS – FIDUCIARY (ESTATE / TRUST)	6
6.2 PAPER FORMS PRODUCED VIA E-FILE SOFTWARE	7
<b>7 PDF AND BINARY ATTACHMENTS</b>	<b>7</b>
7.1 DESCRIPTION	7
7.2 PDF – BINARY ATTACHMENTS	7
7.3 NAMES AND DESCRIPTIONS FOR PDFS	7
7.4 PDF FILE GUIDELINES	8
7.5 CREATE THE PDF FILE	8
7.6 PDF FILE NAME	8
7.7 DESC ELEMENT	8
7.8 CREATE REFERENCE	8
7.9 NUMBER OF ATTACHMENTS	8
7.10 ATTACHMENT FOLDER	8
7.11 FILE STRUCTURE	9
7.12 RETURN PACKAGING AND DIAGRAM	9
<b>8 SAMPLE NON-XML DOCUMENT ATTACHMENT</b>	<b>10</b>
<b>9 REQUIRED BINARY ATTACHMENTS</b>	<b>11</b>
<b>10 PAYMENTS AND REFUNDS</b>	<b>11</b>
10.1 ELECTRONIC BANKING RULES	11
10.2 ELECTRONIC PAYMENTS – E-FILE SYSTEM	11

10.3	ELECTRONIC PAYMENTS – OTHER OPTIONS .....	12
10.4	PAYMENT BY CHECK .....	12
10.5	PAPER PAYMENT VOUCHERS AND ADDRESSES .....	12
10.6	REFUND OPTION – PAPER CHECK .....	13
<b>11</b>	<b>ACKNOWLEDGEMENTS .....</b>	<b>13</b>
11.1	ELECTRONIC POSTMARK – OVERVIEW .....	13
11.2	ACKNOWLEDGEMENT OF E-FILE RETURNS .....	14
11.3	ACCEPTED E-FILE RETURNS .....	14
11.4	REJECTED E-FILE RETURNS .....	14
11.5	RESUBMISSION OF REJECTED TAX RETURNS .....	14
11.6	PERFECTION PERIODS FOR REJECTED SUBMISSIONS .....	14
<b>12</b>	<b>VALIDATING TAX RETURNS .....</b>	<b>14</b>
12.1	DESCRIPTION .....	14
12.2	SCHEMA VALIDATION .....	14
12.3	BUSINESS RULE VALIDATION .....	15
12.4	MANIFEST VALUES .....	15
<b>13</b>	<b>TRANSMISSION REQUIREMENTS .....</b>	<b>15</b>
13.1	AUTHORIZED E-FILE PROVIDERS PARTICIPATING IN VIRGINIA TAX E-FILE AS A TRANSMITTER MUST: .....	15
13.2	TRANSMISSION REQUIREMENTS .....	15
13.3	TRANSMISSIONS – ACCEPTED .....	15
13.4	TRANSMISSIONS – REJECTED .....	16
13.5	ADDITIONAL REQUIREMENTS FOR ONLINE TRANSMITTERS PARTICIPATING .....	16
<b>14</b>	<b>SOFTWARE ACCEPTANCE AND TESTING .....</b>	<b>16</b>
14.1	E-FILE SOFTWARE GUIDELINES .....	16
14.2	TESTING PURPOSE .....	16
14.3	WHO IS REQUIRED TO TEST .....	17
14.4	TEST SUBMISSIONS SCHEDULE .....	17
14.5	TRANSMITTING TEST SUBMISSIONS .....	17
14.6	WHAT IS TESTED .....	17
14.7	ACKNOWLEDGEMENTS ON TEST SUBMISSIONS .....	18
<b>15</b>	<b>SOFTWARE PRODUCT APPROVAL .....</b>	<b>18</b>
15.1	APPROVAL PROCEDURE .....	18
15.2	PRODUCT UPDATES – AFTER PRODUCT APPROVAL .....	19
<b>16</b>	<b>SPECIAL INSTRUCTIONS – FIDUCIARY (ESTATE / TRUST) INCOME TAX .....</b>	<b>19</b>
16.1	LOCALITY CODES – ALPHABETICAL ORDER .....	19
16.2	DUE DATE .....	19
16.3	VISUAL 'XXXXX' MESSAGE – PRINTED COPIES OF E-FILED RETURNS .....	19
16.4	TOTAL DUE CALCULATIONS .....	19

# 1 Overview

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The Virginia Department of Taxation (Virginia Tax) designed this guide as an overview of processing updates and legislative changes that impact the Fiduciary (Estate / Trust) e-File system.

In addition, this guide offers full details and procedures for:

- how the Virginia e-File system functions,
- testing practices,
- product approval, and
- special instructions refined for the Fiduciary e-File System.

Review each section of this guide to ensure your product(s) perform properly for Virginia taxpayers.

Additional details can be found on our [website](#) and in tax return instructions.

## 2 Summary of Changes Affecting e-File Development

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This is not intended to be a comprehensive guide to development changes. Perform a full review of Virginia schemas, business rules and form instructions to ensure all changes and updates are incorporated.

### 2.1 General Updates

- Form 770 Schedule 1
  - The Split-Year checkbox and attachment requirements have been removed.
- Form 770 Schedules 1 and 5
  - Enterprise Zone Act Credit - Only carryover amounts may be claimed and the attachment requirement has been removed.
  - The Coalfield Employment Enhancement Credit could not be claimed in 2017, thus cannot be claimed in 2020. Only a 2020 credit may be applied towards a 2023 return.

### 2.2 Amended Return Reason Codes

- Amended returns now require a Reason Code that indicates why the return is being amended.
  - An amended Form 770 will have one of the following reason codes:
    - 01 NOL
    - 02 Partnership Level Federal Adjustment
    - 03 Federal Return Amended or Adjusted
    - 04 Virginia Return – Changes to subtractions, deductions, additions and credits
    - 30 Other – Enclose Explanation
  - Reason Code 02 requires Form 502FED-1 to be included in the return submission.
  - Reason Code 30 requires an explanation.

### 2.3 Form 502FED-1

Form 502FED-1 has been added to e-File to accommodate Virginia adjustments that result from changes to a partnership's Federal return. This form must be included in an amended return filing with Reason Code 02 to report these adjustments.

Refer to Virginia [Code § 58.1-311](#), Form 502 instructions, and Form 502FED-1 instructions for complete details.

## 2.4 Exception Met on Addition to Tax

The ability to attach supporting documentation for an exception met on an addition to tax through a referenced binary attachment on Form 770 has been removed. Supporting documentation should still be included in the return submission as a free-floating binary attachment per form instructions.

Four optional schema elements have been added to indicate the type of exception met on an addition to tax by period. An exception met in one period does not automatically apply to any other period. Therefore, where applicable, Exception 1, 2, 3 or 4 should be indicated in these schema elements.

Refer to the Form 760C instructions for complete details.

## 3 Developer Contacts and Resources

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### 3.1 Email Updates

Virginia offers a free online service that provides up-to-date information on events that affect e-File throughout the filing season and beyond. Sign up for [Email Updates](#) to receive these emails.

### 3.2 Phone Numbers & Email

Virginia Tax Hours of Availability – Monday – Friday, 8:30 a.m. – 5:00 p.m.

Phone Numbers – these are the phone numbers to be used when advising users how to contact Virginia Tax.

- Customer Services – 804.367.8037
- Tax Professionals Hotline – 804.367.9286

**NOTE:** Only professional software should have the hotline number.

Email Address – the Fiduciary (Estate / Trust) mailbox ([Fid\\_eFile@tax.virginia.gov](mailto:Fid_eFile@tax.virginia.gov)) is to be used by our software partners for the development and maintenance of the Virginia e-File system.

### 3.3 Website Resources

This section provides general website resources that impact e-Filing tax data. Additional details can be found in the links to our [website](#) as well as in the instructions for each supported tax type returns.

[Fiduciary \(Estate / Trust\) Tax Filing](#)

Options for electronic payments – [Individual Tax](#) and [Business Tax](#)

[Early Release Forms](#) – drafts of tax forms

[Web Forms](#) – all forms supported by Virginia Tax

[Legislative Summary Reports](#) and What's New – [Tax Credits](#)

### 3.4 Virginia's Fixed Date Conformity with the Internal Revenue Code

Review the [Fixed Date Conformity in Virginia](#) section of our website for details regarding Virginia Tax's date of conformity advancement with the Internal Revenue Code (IRC).

## 4 Overview of Virginia Federal / State e-File Program

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### 4.1 Description

Virginia's e-File program works with the IRS Fed/State e-File program. This allows software providers to electronically file both federal and state returns or state only returns for the taxpayer.

An e-Filed tax return consists of tax forms, schedules, and attachments that can be submitted. The tax return uses schemas created using Extensible Markup Language (XML). This language defines the structure and content of an XML document to implement all forms, schedules and attachments in electronic format for e-File. Business rules are created to specify requirements that cannot be defined in the XML.

### 4.2 Supported Tax Years

Virginia Income Tax e-File Program accepts original and amended returns for:

- Tax Year 2020
- Tax Year 2019
- Tax Year 2018

### 4.3 Virginia e-File Calendar – Tax Year 2020

Virginia Tax follows the IRS e-File calendar and dates are generally contingent on IRS system availability.

- |  |                   |
|--|-------------------|
| • ATS testing begins                         | November 16, 2020 |
| • Begin transmitting returns to IRS/Virginia | January 2021      |

### 4.4 Software Design Information

Software Developers (including developers acting as EROs) must:

- Develop tax preparation software according to statutory requirements and Virginia tax return preparation instructions. For details, use the following resources in our [Laws, Rules & Decisions](#).
  - Tax Code of Virginia, Regulations, Legislative Summaries, and Rulings of the Tax Commissioner
  - Tax Bulletins, Attorney General's Opinion, Guidance Documents, and Return Preparation Instructions
- Provide accurate Virginia tax returns in correct electronic format for transmission through the Fed/State e-File program.
- Develop software capable of producing a printed copy of the complete electronic filing.
- Provide up-front data validation, verification and error detection to prevent transmissions of incomplete, inaccurate or invalid return information.
- Prevent electronic filing of any form not approved and/or supported for electronic filing by Virginia.
- Perform a full review of schemas, business rules and form instructions to ensure all changes and updates are incorporated.

### 4.5 Routine System Maintenance

Routine system maintenance is generally on Sunday from 12:00 am to 8:00 am, EST. Virginia Tax may conduct system maintenance on weekends as well.

This process may result in intermittent down time for transmitters. Work scheduled during this window will generally not be communicated to the software developers. For details regarding system status and/or possible delays, refer to the IRS e-File Status page, sign up for [IRS Alerts](#).

## 5 Types of Electronic Filing

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Virginia Tax's e-File programs accept two kinds of submissions: Linked and Unlinked.

### 5.1 Linked Returns

Linked filing occurs when the federal and Virginia returns are filed together in one transmission to the IRS. The IRS validates and verifies the federal return data. The IRS will either accept or reject the federal return. The Virginia return is made available to Virginia Tax only if the federal return is accepted by the IRS. The corresponding federal submission id is submitted in the state manifest.

If a federal return is rejected in a Linked submission, the Virginia return is not made available to Virginia Tax. In this case, the next corrected transmission should include **both** the federal return and the Virginia return.

### 5.2 Unlinked Returns

Unlinked filing occurs when the Virginia return is transmitted through the Fed/State system without simultaneously transmitting an original federal return. The software must support unlinked filing in order for the state only transmissions to be available to the electronic filer.

Unlinked returns are transmitted to the IRS and made available for states to retrieve in the same fashion as the Linked transmission. The corresponding federal submission id is not submitted in the state manifest.

Virginia Tax requires a copy of the complete federal return, including federal binary attachments, in the state submission.

## 6 Forms and Schedules for e-File

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The Virginia Tax schemas are used in conjunction with IRS Fed/State schemas. Our state specific schemas support the forms and schedules listed below, in Section 6.1.

### 6.1 Forms – Fiduciary (Estate / Trust)

- Form 770 (Schedule 1) – Computation of Taxable Income and Tax of Fiduciary
- Form 770 (Schedule 2) – Virginia Taxable Income of a Nonresident Estate or Trust
- Form 770 (Schedule 3) – Modifications
- Form 770 (Schedule 4) – Computation of the Credit for Tax Paid to Another State
- Form 770 (Schedule 5) – Virginia Beneficiary Information (K-1 Equivalent)
- Form 502FED-1 – Virginia Partnership-Level Federal Adjustments Report
- Schedule VK-1 – Virginia VK-1 Income Statement
- Form W-2 – Wage and Tax Statement
- Form W-2G – Certain Gambling Winnings
- Form 1099-B – Broker and barter exchanges
- Form 1099-DIV – Dividends and Distributions
- Form 1099-G – Certain Government Payments
- Form 1099-INT – Interest Income
- Form 1099-K – Payment Card and Third Party Network Transactions
- Form 1099-MISC – Miscellaneous Income
- Form 1099-NEC – Nonemployee Compensation
- Form 1099-OID – Difference between the bond's stated redemption price and its issue price.
- Form 1099-R – Distributions from Pensions, Annuities, Retirement, etc.

## 6.2 Paper Forms Produced via e-File Software

While no state schema exists to submit the below data through the IRS State/Federal e-File system, the software may still produce these vouchers where applicable.

- 770-PMT – Fiduciary Income Tax Payment Coupon  
**NOTE:** The above payment voucher should only be printed if Direct Debit is not used for the tax due return.
- 770ES – Fiduciary Estimated Tax Payment Coupon
- 770IP – Fiduciary Extension Tax Payment Coupon

## 7 PDF and Binary Attachments

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This instruction is modeled after IRS Publication 4164, Section 2.2.

### 7.1 Description

Virginia Tax requires certain supporting documentation to be sent as PDF attachments. All PDF attachments must be listed in the binary attachment portion of the return.

Even though the PDF attachment(s) are generally an optional element, the PDF is still required for specific filing scenarios (credits, adjustments, certain amount fields, etc.). When the PDF is not properly referenced, Virginia Tax may send a missing documentation letter to the taxpayer to request the supporting documentation.

### 7.2 PDF – Binary Attachments

The **referenceDocumentId** attribute must be used to link the attachment to the appropriate location on the return to ensure the attached PDF is recognized properly by the Virginia e-File System.

Users must:

- either have a scanner that allows them to scan documents into a PDF file; or
- have another tool that allows them to save a Word / Excel file into a PDF.

Approved e-file tax preparation software **must**

- provide the necessary instructions for creating, scanning or exporting documents in PDF format; and
- submit these documents as attachments that are required by Virginia Tax.

Virginia Tax prefers to receive the required binary attachment(s) with the e-filed return. However, if binary attachments are not included, the software must advise users to mail in their documentation **after** Virginia Tax mails them a "Missing Documentation Letter".

Virginia Tax approved software providers are also required to provide messaging about the potential for delay and potential for a credit/adjustment/amount to be denied when supporting documentation is not attached.

### 7.3 Names and Descriptions for PDFs

For all PDF attachments, the preparation software must provide the user the ability to enter a meaningful description. Virginia requires a separate PDF file and **referenceDocumentId** for each attachment.

For example, if 3 out-of-state returns are needed, each out of state return attachment is required to be sent in a separate PDF file with a separate **referenceDocumentId**.



## 7.4 PDF File Guidelines

When creating a PDF file for the e-File submission, follow these guidelines. The IRS and Virginia Tax need a PDF using any compatible software that creates a PDF.

- Do not password-protect or encrypt PDF attachments.
- Do not exceed 60MB (uncompressed) for each PDF file.
- The name of the PDF file cannot exceed 64 characters. It must not include any of the following:
  - Slashes (forward / and back \), double period (..), semicolon (;), vertical bar (|), square brackets (left [ and right ]), right angle brackets (left < and right >), caret (^), grave accent (`), ampersand (%), double quote ("), apostrophe ('), colon (:), question mark (?), and asterisk (\*).
- Each PDF must start with **%pdf-** and end with **%%EOF**. The return rejects if a PDF is not properly formatted. This error occurs if the submitter tries to alter a PDF outside of the product that created it.
- Keep binary attachments as small as possible.
  - Exporting a document to create the PDF makes a much smaller file compared to scanning it.
  - If using Adobe Acrobat, set the compression/quality on the "Create PDF From Scanner" to higher compression in order to lower the file size when the source document is of adequate quality and from scanner input.
  - Avoid requiring compatibility with Adobe Acrobat earlier than Version 8; it increases the file size.

## 7.5 Create the PDF File

Create 1 Binary Attachment XML document for each binary attachment in the Submission. There is a one-to-one relationship between the PDF file and the Binary Attachment XML document that describes it.

- In the "AttachmentLocationTxt" element – provide the PDF file with a name, including the extension.
- In the "Desc" element – provide a brief meaningful and unique description of the file contents.

## 7.6 PDF File Name

- The file name is case sensitive and must **exactly match** the name in the "AttachmentLocationTxt" element.
- The schema for the Binary Attachment document is defined in the file named "BinaryAttachment.xsd".
- Example of Out of State Return attachment: NCStateReturn.pdf

## 7.7 Desc Element

- The "Desc" element in the BinaryAttachment.xsd cannot exceed 128 characters.
- Make it as meaningful as possible; the description is displayed to the IRS User to identify file contents.

## 7.8 Create Reference

- The references (if any) are created from the element(s) to which the PDF file is "attached" to the "Binary Attachment XML document".
- If the PDF file is to be attached to an element for a line/form/schedule, create a reference from the element to the Binary Attachment XML document.

## 7.9 Number of Attachments

- The number of binary attachments must be included in the submission in the binaryAttachmentCnt attribute.
- This is used to indicate the number of binary attachments in the return, for the element ReturnHeader.

## 7.10 Attachment Folder

- Include the PDF file in the attachment folder in the submission zip.
- Like-kind binary attachments should be placed adjacent to each other in the submission data XML.

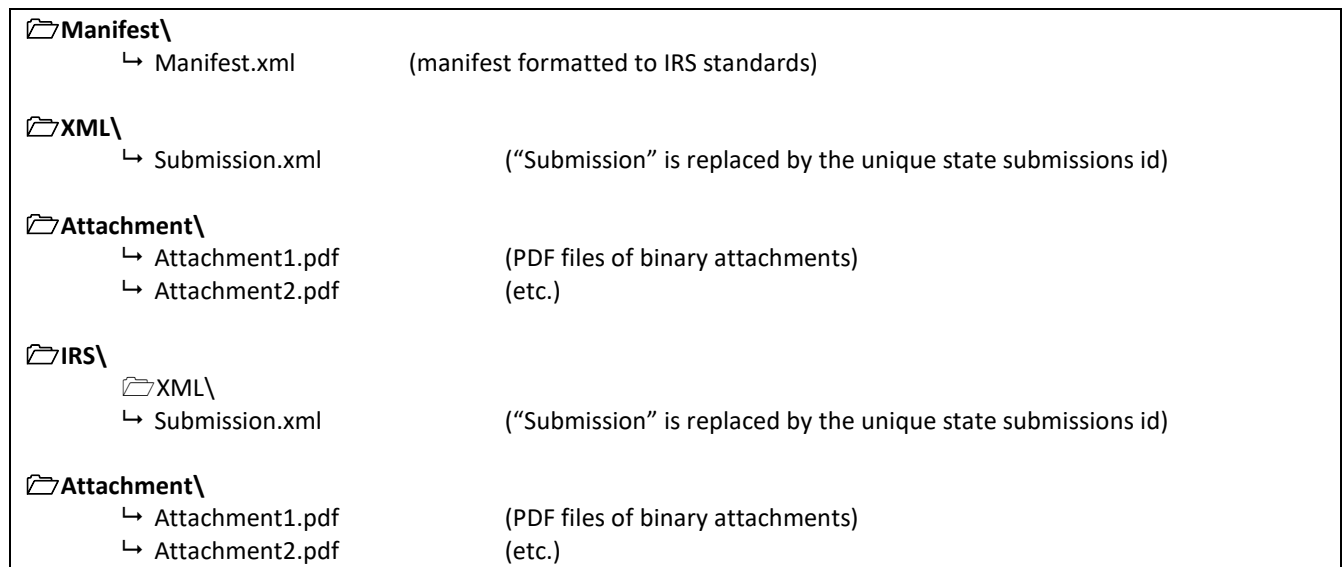
## 7.11 File Structure

Transmitters can transmit federal and state submissions using Web Services. A state submission contains XML data and binary attachments. A copy of the federal return must be included in the state submission.

Like a federal submission, the state submission must be zipped into its own file and placed into the container zip file. This file is then attached to the SendSubmissions service request. Federal and state submissions can be included in the same attachment (container zip file) or each in their own zip file.

## 7.12 Return Packaging and Diagram

The state submission or filing under Virginia e-File is a zipped package. The following diagram shows the structure of the unzipped return package. The leading slash, “/” is optional.



A federal or state submission must include the **/manifest** and **/xml** archive directories and may include an optional **/attachment** directory.

If the submission is a state submission, the same archive directories will contain the state submission manifest, state submission and PDF documents attached to state submission, respectively.

In addition to these archive directories, a state submission may also include optional **/irs/xml** and **/irs/attachment** archive directories. If present, they contain the federal submission and PDF documents attached to the federal submission.

## 8 Sample non-XML Document Attachment

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If the node type defined in the schema begins with 'VARef',

- it must have attached documentation; and
- it must have an attribute called 'referenceDocumentId'.

Any Binary Attachment node must have an attribute called 'documentId'. The documentIds used must be unique.

The **referenceDocumentId** attribute value must match exactly the value of the attribute called 'documentId' in a Binary Attachment node in the return XML. If not, it will fail schema validation.

Example:

```
documentId="1"  
documentId="2"  
Or  
documentId="PDFAttach1"  
documentId="PDFAttach2"
```

The "AttachmentLocationTxt" element in the Binary Attachment node in the return XML contains the name of the PDF file. The file name is case sensitive and must exactly match the name of the file attached to the submission. If not, it will fail the schema validation. See the **example highlighted** below.

Use the following guidelines to include binary attachment(s).

- Include total number of binary attachment(s) in the binaryAttachmentCnt attribute in the ReturnHeader element.
- **<ReturnHeaderState binaryAttachmentCnt="1">**

Example of binary attachment linking an element:

```
<CreditABC>  
<CreditABC>1234</CreditABC>  
<Form JKL referenceDocumentId="1">X</Form JKL>  
</CreditABC>  
<BinaryAttachment documentId="1">  
<Reference>CreditABC</Reference>  
<DocumentTypeCd>PDF</DocumentTypeCd>  
<Desc>JKL</Desc>  
<AttachmentLocationTxt>JKL.pdf</AttachmentLocationTxt>  
</BinaryAttachment>
```

## 9 Required Binary Attachments

---

Each of the tax types supported by the Virginia e-File system require certain binary attachments in order to properly process a tax return.

As detailed in Section 7, missing attachments may produce a “Missing Documentation Letter” for the user. The following may require a binary attachment when filing Fiduciary (Estate / Trust) Tax returns:

### Form 770

- Coal Employment and Production Incentive Tax Credit
- Coalfield Employment Enhancement Tax Credit
- Exempt – Charitable Remainder Trust checkbox requires Federal Form 5227 (Split-Interest Trust Information Return)

### Computation of the Credit for Tax Paid to Another State

- See the Form 770 instructions for full details on properly computing the credit.
- The credit is computed on Form 770, Schedule 4. The other state return(s) should be attached as a binary attachment.
- If the software does not support the PDF attachment of the out-of-state tax return then the user must be informed that Virginia may send a Missing Documentation Letter for the out-of-state return. The user should wait until they receive that letter before mailing in the out-of-state return.

## 10 Payments and Refunds

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### 10.1 Electronic Banking Rules

Due to electronic banking rules, Virginia Tax does not allow Direct Deposit to or through financial institutions outside of the territorial jurisdiction of the United States. This International ACH Transaction (IAT) is not supported by Virginia Tax. Attempting to use Direct Deposit to transfer funds electronically to a financial institution outside the territorial jurisdiction of the United States will cause the return to reject and ultimately delay refunds.

### 10.2 Electronic Payments – e-File System

Virginia Tax supports **Direct Debit with a Requested Payment Date option** via e-File, which allows a tax due direct debit payment to be scheduled for processing on a date different than the return’s submission date. Direct debit should be displayed as the default options for users.

- Users can schedule a payment for withdrawal on a future date.
- A scheduled payment must be effective **on or before** the original return due date.

**NOTE** — Advise users that **prior** to initiating this transaction, they should **notify the bank** that Virginia Tax is authorized to debit the bank account since some banks use a "filter", which prevents unauthorized debits against a user’s account.

- If the bank requests a filter number / Company ID, customers should [Contact Us](#) to obtain this number / ID.
- If the bank denies the EFT payment it is handled like a returned check and late payment charges apply.

If a tax return is filed **after the due date**, the Direct Debit with a Requested Payment Date option must not be presented. Software must either leave the requested payment date blank / null or populate the same date in which the return is transmitted. Otherwise the return will reject.

### 10.3 Electronic Payments – Other Options

If the user opts to pay the tax due amount separately from e-Filing the tax return, inform them of the other electronic payment options.

#### Payment by eForms

- 770-PMT
- 770ES
- 770IP

#### Payment by Web Upload –

- (Bulk) file option via Direct Debit method with a user’s checking account
- 770-PMT

#### ACH Credit via Taxpayer's Bank

- Instruct users to review the Electronic Payment Guide for details regarding general requirements and the set up with their financial institutions to send payments to Virginia Tax’s bank account.
- Messaging should advise that this method may include fees.

### 10.4 Payment by Check

The applicable paper voucher must be produced when a tax due return data is filed electronically via the e-File software, but the payment is not made with the return nor with any of the other electronic options detailed in Section 10.3 above. Instructions for e-filed returns must advise users to use the PO Box addresses for direct mailing to Virginia Tax instead of the locality office.

Multiple electronic mandates are in place for tax types supported by e-File and software messaging must advise customers accordingly. See Electronic Filing Requirements tax page for complete details.

Advise users to do the following when paying by check for their e-filed return.

- Always mail the payment voucher with the payment **directly to the Virginia Tax address** on the voucher to ensure timely and correct posting to your tax account.
- Do not mail the payment with a copy of the e-filed return to either Virginia Tax or to your Local Office, as this can cause a problem when posting the payment to your tax account.

### 10.5 Paper Payment Vouchers and Addresses

Form 770-PMT (Fiduciary Income Tax Payment Coupon)

- Payment is due May 1 for calendar filers
- Payment is due the 15th of the 4th month following end of the taxable year for fiscal filers
- Applicable only to Form 770, when the 770 is e-Filed and the payment is being made separately
- Should only be printed if Direct Debit is not used

Form 770ES (Fiduciary Estimated Tax Payment Coupon)

- See the Form 770ES Instructions for details regarding Form 770ES due dates.
- Applicable only to Form 770

Form 770IP (Fiduciary Extension Tax Payment Coupon)

- Payment is due May 1

- Applicable only to Form 770
- Should only be printed if an extension payment will be made

Paper Voucher Address Table			
Filing Method =>	e-Filed Return	Mailed Return to Tax	Mailed Return to Locality
770-PMT	Department of Taxation PO Box 760 Richmond, VA 23218-0760	Department of Taxation PO Box 760 Richmond, VA 23218-0760	Use the locality address from the <u>fiduciary / estate tax instructions</u> .
770ES	(Vouchers can be produced by Software.)	Department of Taxation PO Box 1478 Richmond, VA 23218-1478	Voucher 1 - use address for the Locality <u>Commissioner</u> .  Vouchers 2, 3, & 4 – Use the address for the Locality <u>Treasurer</u> .
770IP	(Voucher can be produced by Software.)	Department of Taxation PO Box 760 Richmond, VA 23218-0760	Use the locality address from the <u>fiduciary / estate tax instructions</u> .

## 10.6 Refund Option – Paper Check

**NOTE:** All users may opt to have part / all of their refund / overpayment applied to their estimated taxes for the next year.

EROs should advise customers that they can avoid refund delays by:

- Having all of their taxes and obligations paid,
- Providing current and correct information to the ERO,
- Ensure that all bank account information is up-to-date and entered correctly, and
- Ensuring the information on the tax return is correct before signing / submitting it.

# 11 Acknowledgements

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## 11.1 Electronic Postmark – Overview

A Transmitter may provide an electronic postmark to users that file Tax Returns through an ERO or through an Online Provider (Online Filing).

The Transmitter creates the electronic postmark bearing the date and time, GMT time format, (in the Transmitter’s time zone) that the return is received at the Transmitter’s host computer. The user must adjust the electronic postmark to the time zone where the user resides in order to determine the postmark’s actual time.

If the electronic postmark is:

- **on or before** the prescribed deadline for filing, **but received after** the prescribed deadline for filing – the return is treated as filed timely
- **after** the prescribed deadline for filing – the return is treated as being filed late
- **not available** – the IRS received date is used

## 11.2 Acknowledgement of e-File Returns

Virginia Tax provides an acknowledgment for each return received. The file type will be either “Accepted” or “Rejected”. Acknowledgement files must be retained for 1 year after submission.

## 11.3 Accepted e-File Returns

- This indicates that the electronic return was received and accepted.
- The transmission successfully completed the pre-entry validation process and no further action is required.

## 11.4 Rejected e-File Returns

- This indicates that the electronic return was received and rejected.
- Virginia Tax approved software providers **must** mirror image the provided Acknowledgement Error Message for each reject while sending it back to the users.
- The Acknowledgment contains codes/error descriptions, (in the Business Rules Document), that indicate the cause of the reject.
- The error condition(s) must be corrected before the return can be re-transmitted as an “Unlinked” submission.

## 11.5 Resubmission of Rejected Tax Returns

If Virginia Tax rejects the e-Filed return (and the ERO cannot rectify the reason for the rejection), then the ERO **must** take reasonable steps to inform the user of the rejection within 24 hours.

EROs must provide the user with the reject code(s) and an explanation.

If the user opts not to have the e-Filed return corrected and transmitted to Virginia Tax, or if Virginia Tax cannot accept the return for processing, the user must file a timely paper return.

## 11.6 Perfection Periods for Rejected Submissions

Virginia Tax does not allow the IRS return perfection period. A return must be transmitted and accepted by the due date of the return to be considered timely filed.

# 12 Validating Tax Returns

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## 12.1 Description

Once the transmission file passes validation, the e-File program validates the submissions contained in the file. Submission validation consists of two parts: Schema Validation and Business Rule Validation. Schemas and business rules are updated from year to year.

## 12.2 Schema Validation

Schemas provide the basic definition for elements – field length, data type, allowable values, etc. Data integrity depends on each data element complying with the data format specifications. If the tax preparation software uses the State-defined XML schemas to create the XML tax return, there should be no data format errors in the return.

If an error is found during Schema Validation, processing stops. Neither the remaining Schema Validations nor the Business Rules will be applied to that submission. If the error is found in the Manifest (described in the next section), the submission (xml archive) will not be Schema Validated either.

The e-File program verifies this by validating each return in the transmission file against the schemas. The 4 Virginia Tax schema validation business rules can be found on the SES site.

### 12.3 Business Rule Validation

The e-File program uses a business rule engine to validate returns against the rules.

As submissions are validated, the acknowledgements are made available to the transmitter for retrieval.

Errors result in a rejected return. The complete listing of business rules can be found on the SES site.

### 12.4 Manifest Values

The state manifest **must match** the Government Code, State Submission Type and Submission Category listed below.

Form	GovernmentCd (Government Code)	StateSubmissionTyp (State Submission Type)	SubmissionCategoryCd (Submission Category)
770 Fiduciary Income Tax Return	VAST	VA770	ESTRST

## 13 Transmission Requirements

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### 13.1 Authorized e-file Providers participating in Virginia Tax e-file as a Transmitter must:

- Within 2 business days of transmission:
  - Retrieve the acknowledgement file of transmission and match it to the original transmission file, and
  - Send the acknowledgement file containing all conditions on accepted returns to the ERO or Intermediate Service Provider.
- Retain an acknowledgement file for 1 year after submission.
- Contact the e-file Administrator ([Fid\\_eFile@tax.virginia.gov](mailto:Fid_eFile@tax.virginia.gov)) for further instructions. If an acknowledgment of acceptance for processing has not been received within 2 business days of transmission.
- Correct an error that causes the transmission to be rejected.
- Ensure the security of all transmitted data and ensure against unauthorized use of its EFIN or ETIN.

### 13.2 Transmission Requirements

A Transmitter that receives returns from an Intermediate Service Provider for Online Filing must adhere to the same requirements as a Transmitter that transmits ERO returns received from Intermediate Service Providers.

### 13.3 Transmissions – Accepted

If Virginia Tax **accepts** the e-filed return, the Transmitter must notify the user of the following:

- The date the transmission was accepted
- The Submission ID



### 13.4 Transmissions – Rejected

If Virginia Tax rejects the e-filed return, the Transmitter must notify the user of the following:

- The date the transmission was rejected and what the reject code(s) mean;
- Steps to take to correct the errors; and
- The user must file a timely paper return:
  - if the electronic return cannot be corrected and retransmitted to Virginia Tax, or
  - if Virginia Tax cannot accept the return for processing.

### 13.5 Additional Requirements for Online Transmitters Participating

Transmitters participating in Online Filing must follow all of the above requirements and also must:

- Ensure the transmission includes the assigned Online Filing EFIN in the appropriate field;
- Ensure that the ISP's EFIN is included in the electronic return data, when applicable;
- Assign a Submission ID to each user's return and include it in the e-filed transmission;
- Notify the user of the return's status electronically within 2 business days of retrieving the acknowledgement file or by mail within 1 business day of retrieving the acknowledgement file;
- Provide the Internet Protocol Information (Address, Date, Time and Time Zone of the computer used to e-file);
- Include the "Online" in the "Originator Type Code" schema element.

## 14 Software Acceptance and Testing

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### 14.1 e-File Software Guidelines

This section includes information for testing Virginia Tax e-File returns through the e-File platform (Assurance Testing System, ATS). Based on the current Virginia schemas, included in the separate e-File Test Package are multiple test scenarios that reflect the required test criteria for acceptance into the Fed/State e-File Program.

The Virginia Letter of Intent clarifies the requirements for software providers to start testing.

Test returns must be transmitted through the IRS ATS System with complete submissions. The transmission method is a Web Service using Simple Object Access Protocol (SOAP) with attachment messaging.

Return data is formatted using XML. Each return should be in a separate submission and multiple submissions may be within a single message payload. Software developers will be notified of the test results and approval by email.

### 14.2 Testing Purpose

The purpose of testing prior to live processing is to ensure that the following conditions are met:

- Software is correctly formatted
- Schemas agree with Virginia Tax specifications
- Edits agree with Virginia Tax specifications
- Business Rules agree with Virginia Tax Specifications
- Electronic submissions are retrieved and processed correctly
- Transmitters retrieve responses from e-File including acknowledgement files

### 14.3 Who is Required to Test

Tax software developers and transmission software developers planning to participate in the Virginia Fed/State e-file Program must submit tests and be approved prior to submitting live Virginia returns.

Prior to testing, all software developers and transmitters must have obtained an ETIN and EFIN from the IRS. They must also have completed and submitted the Virginia Letter of Intent.

### 14.4 Test Submissions Schedule

Test submissions to Virginia Tax are scheduled to begin on November 16, 2020.

This is subject to change depending on IRS ATS system availability and Virginia availability. Software developers may transmit test returns until the IRS e-File system shuts down for filing season. Virginia Tax expects initial testing for approvals to be completed before the IRS e-File processing season opening date.

### 14.5 Transmitting Test Submissions

Software developers should email the e-File Administrator prior to testing and provide the following information:

- Company Name
- Contact Person
- Email Address
- Phone Number

Returns must be transmitted through the IRS e-File System. Both Linked returns and Unlinked returns can be submitted through the IRS Fed/State System.

Virginia Tax requires a copy of the **complete federal return** in the state submission, including binary attachments. Each return should be in a separate submission and multiple submissions may be within a single message payload.

### 14.6 What is Tested

The test package contains multiple test scenarios consisting of various forms/schedules/attachments to be submitted for product/software approval. Testing scenarios will be provided in the **Virginia e-File Test Package** document located in the SES site, once tax form/schedule instructions are posted.

Virginia Tax expects software providers to support all Virginia tax forms and applicable schedules pertaining to Fiduciary (Estate / Trust) Tax. However, if Virginia Tax approved an exception, test scenarios may be submitted with adjustments for those forms and schedules not supported.

Testing of additional conditions is permitted. SSNs / FEINs used for the test scenarios in the **Virginia e-File Test Package** document must not be used on additional tests. Notify the Virginia Tax e-File Administrator if / when additional tests have been submitted to ensure that these tests are downloaded and processed timely.

## 14.7 Acknowledgements on Test Submissions

Virginia Tax sends acknowledgements to the IRS e-File Fed/State Acknowledgement System in the format defined by the IRS Acknowledgement schema for both testing and production (efileAttachment.xsd).

Acknowledgements are sent through Virginia's ATS system for the returns received. Allow 3 – 5 business days to receive state acknowledgments. Software providers must retransmit a test return until all tests have been accepted.

Once the test package passes business rules and schema validations, software providers can email Submission IDs to the e-File Administrator mailbox for review. Your email should include any test limitations for the product / test package. Software developers will be notified of the test results and approval by email.

Unless the software developer is the ERO, the developer is responsible for providing the Virginia acknowledgements to the ERO within 2 days after receipt of the acknowledgement.

# 15 Software Product Approval

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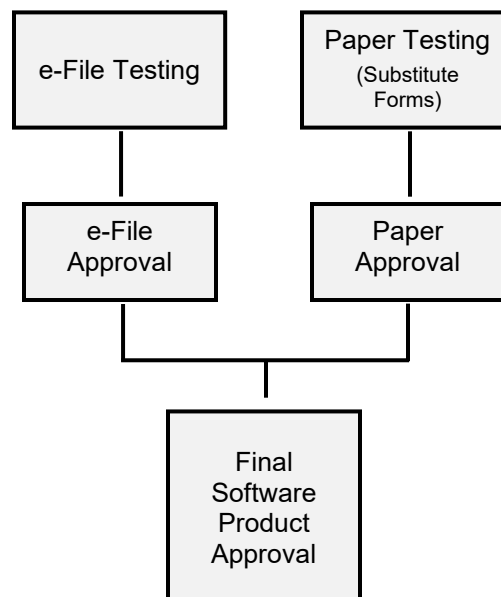
## 15.1 Approval Procedure

For final approval, the software provider must transmit all test returns in one single transmission **without errors** which includes business rule errors, schema errors and any other errors pointed out by the Virginia e-File unit.

The software provider should coordinate ATS test submissions with the submission of paper forms for testing and approval to avoid delays in full approval, as both the print and electronic testing must be complete before access to e-File Production is granted.

- Once **e-File testing** is complete, an email is sent by the e-File team to confirm approval of the product for e-File.
- Once **paper form testing** is complete, an email is sent by the Substitute Forms team to confirm approval of the product for paper filing.

Once **all testing** is complete, an email is sent by Vendor Management ([vendors@tax.virginia.gov](mailto:vendors@tax.virginia.gov)) to the software developer and related contacts to confirm the product(s) approval. Vendor Management will request that the company / product URL to be added to our website as an approved Virginia Tax certified software product.



During and after this process, Virginia Tax may request software providers to produce certain screenshots to ensure messaging for data collection is clear.

## 15.2 Product Updates – After Product Approval

If a software developer initially tested with limitations and later decided to support additional forms or schedules not included in the initial testing, the software developer must inform the [e-File Administrator](#). The added forms or schedules must successfully pass testing before moving to Production.

# 16 Special Instructions – Fiduciary (Estate / Trust) Income Tax

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## 16.1 Locality Codes – Alphabetical Order

Software must replicate the list of all cities and counties as it is displayed alphabetically in the instructions. Software must not shorten or cut off any part of the City or County name. For example, “Falls Church City” must be displayed as “Falls Church City” instead of “Falls Church”; these are separate locations.

## 16.2 Due Date

Refer to Fiduciary (Estate / Trust) Income Tax Instructions for all due date scenarios. If the due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next succeeding day that is not a Saturday, Sunday or legal holiday. Virginia Tax does not recognize Washington DC’s Emancipation Day as a holiday.

## 16.3 Visual 'XXXXX' Message – Printed Copies of e-Filed Returns

If a user opts to print/save their e-Filed return, Virginia Tax requires software to add a visual message of 'XXXXX' to Fiduciary (Estate / Trust) Income Tax returns to indicate the return was or will be e-Filed. Virginia Tax uses the 'XXXXX' message to avoid reprocessing a return if users mail in a printed copy.

Add the 'XXXXX' to the latest point in the "to be e-Filed" process or after the return was e-Filed.

Use this location for the printed 'XXXXX' message: bottom right corner, below the “money line” box under Line 11.

## 16.4 Total Due Calculations

These situations should be clarified for filers using software products.

- The software must calculate the Balance Due (Line 6) and add it to the amount owed from Form 760C/760F (Line 11). There is no Total Due amount field on the Form 770, but the total amount due for payment is the total of Line 6 and Line 11. For electronic direct debit or paper filing purposes, the software must explain the payment for the total balance due needs to satisfy both the amounts on Line 6 and on Line 11.
- For an **Overpayment** (Line 7) – the software must reduce the overpayment amount from the Form 760C/760F (Line 11) which could result in a balance due or an overpayment.
- For a **Balance Due** – the software must explain the payment for the balance due needs to satisfy both, the amounts on Line 7 and on Line 11. If the result is an overpayment – explain the difference in Line 7 minus Line 11, so the user understands why the refund will be different than stated on Line 7.
- Penalty and interest should not be applied as part of the amount due, since there is no line to report it on Form 770. Advise the user of the 770 return due date and add a message in the product stating that any penalty and interest will be assessed after filing; Virginia Tax will send an assessment with the amount due after the original return and payment have been processed.