



# ***COMMONWEALTH of VIRGINIA***

## ***Department of Taxation***

### **ORDER TO ALLOW ELECTRONICALLY FILED RETURNS TO OMIT ATTACHING A COPY OF THE FEDERAL RETURN**

Whereas, *Va. Code* § 58.1-202 requires the Department of Taxation ("Department") to prescribe the forms of books, schedules and blanks to be used in the assessment and collection of state taxes; and

Whereas, *Va. Code* § 58.1-214 require the Department to design, prepare, print and distribute all forms and instructions necessary for filing returns required by Subtitle I of Title 58.1 of the Code of Virginia; and

Whereas, *Va. Code* § 58.1-310 grants authority to the Department to examine the federal income tax returns or any copy thereof and to requires a taxpayer to provide such return or a copy thereof and all statements, inventories, and schedules in support thereof; and

Whereas, pursuant to *Va. Code* § 58.1-3 the Tax Commissioner and the Internal Revenue Service have entered into an information exchange agreement that allows the Department to obtain federal tax return information from the Internal Revenue Service; and

Whereas, *Va. Code* § 58.1-441 requires corporations to attach a copy of their federal income tax returns to their Virginia income tax return; and

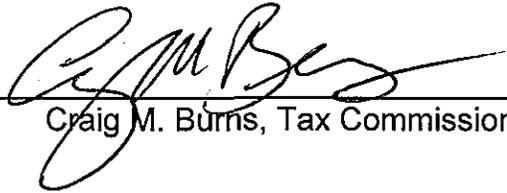
Whereas, regulations 23 VAC 10-120-321, 23 VAC 10-120-322, and 23 VAC 10-120-323 permit certain corporations to omit attaching a copy of the federal return provided that a complete copy is made available to the Department of Taxation upon request; and

Whereas, the Department has developed a simplified corporate income tax return for electronic filing, and determined that an attached copy of the federal return is not needed for administration of the tax and would add to the cost of the Department and taxpayers;

It is therefore ORDERED that the Department accept electronically filed simplified corporate income tax returns (currently designated Form 500-EZ) without an attached copy of the federal income tax return and that taxpayers filing this form electronically be instructed to comply with *Va. Code* § 58.1-310 by keeping a complete copy of the federal return and making it available to the Department upon request.

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It is further ordered that this order shall be classified as a guidance document for purposes of complying with Va. Code §§ 2.2-4008 and 2.2-4103.

  
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Craig M. Burns, Tax Commissioner

Done  
May 9, 2014  
Date