Employer's Return of Virginia Income Tax Withheld Instructions

Ge**neral:** An employer who pays wages to one or more employees is required to deduct and withhold state income tax from those wages. Virginia law substantially conforms to the federal definition of "wages." Therefore, Virginia withholding is generally required on any payment for which federal withholding is required, except amounts paid pursuant to individual retirement accounts and simplified employee pension plans as defined in Sections 7701(a) (37) and 408(c) of the Internal Revenue Code.

Filing and Payment Procedure: An employer's filing status is determined by the average amount of income tax withheld each month. When registering a business, an employer is asked to estimate this figure so the Department can assign a filing status. Based on that information, the Department assigns a quarterly, monthly, semi-weekly, or seasonal filing status. In addition, all employers must file an annual summary. Employers are not responsible for monitoring their monthly tax liabilities to see if a status change is needed. The Department reviews each account annually and makes any necessary changes. Notices of change in filing status are usually mailed during December of each year and become effective on January 1.

Payments may be made by check or by Electronic Funds Transfer (EFT). Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

Paying by EFT eliminates your requirement to submit Form VA-5, however payments must be made by the same dates that the Form VA-5 would have been due. When no payment is due because the tax liability is zero, you must report a ZERO liability to the Department. This can be done by reporting a zero payment on your EFT transaction. For additional information regarding EFT, please refer to the Department's *Electronic Funds Transfer (EFT) Guide*. A Guide may be obtained from the Department's Web-site: **www.tax.virginia.gov,** or Forms Request Unit at (804) 440-2541.

- Quarterly Filing: If an employer's average monthly withholding tax liability is less than $100, the account will be assigned a quarterly filing status. Form VA-5, with full payment for the tax, or your EFT payment is due on the last day of the month following the close of the quarter. **A return or EFT zero transaction payment must be filed for each quarter even if there is no tax due.**
- Monthly Filing: If the average monthly withholding tax liability is at least $100, but less than $1,000, a monthly filing status will be assigned. For months that close a calendar quarter, file Form VA-5, with full payment, or make your EFT payment by the last day of the following month. For months that do not close a calendar quarter, file Form VA-5 or make your EFT payment by the 20th day of the following month. **A return or EFT zero transaction payment must be filed for each month, even if there is no tax due.**
- Seasonal Filing: Seasonal filers, those employers who have employees only during certain months of the year, are required to file returns for the months designated at the time they register for an account, even if there is no tax due. Seasonal returns are filed on Form VA-5 and are due at the normal monthly filing dates.

Mail returns and payments to the **Virginia Department of Taxation, P.O. Box 27264, Richmond, Virginia 23261-7264**.

Change of Ownership: If there has been a change of ownership, do not use the return with the name and account number of the former owner. Send the return with notice of change to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's Web-site: **www.tax.virginia.gov**. The Form R-1 can be obtained from the Department's web site or by calling the Department's Forms Request Unit at (804) 440-2541.

Change of Address/Out-of-Business: If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request or a letter to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. The Form R-3 is included in your coupon booklet. A Form R-3 can also be obtained from the Department's Web-site: **www.tax.virginia.gov**, or by calling the Department's Forms Request Unit at (804) 440-2541.

Questions: If you have any questions about this return, please call (804) 367-8037 or write the **Virginia Department of Taxation, P.O. Box 1115, Richmond, Virginia 23218-1115**.

Preparation of Return

Line 1: Enter amount of income tax withholding liability for the period for which the return is being filed.

Line 2: Enter overpayment or underpayment from a prior period and attach a detailed explanation to the return. Please indicate an underpayment as a negative figure with brackets around the amount.

Line 3: Subtract overpayment (Line 2) from Line 1 or add underpayment (Line 2) to Line 1 and enter the amount. (Line 1 ± Line 2 = Line 3).

Line 4: Enter penalty, if applicable. If you file the return and/or pay the tax after the due date, a penalty is assessed. The penalty is 6% of the tax due for each month or fraction of a month, not to exceed 30%. In no case will the penalty be less than $10, **even if no tax is due**.

Line 5: Enter interest, if applicable. Interest on any tax due will be added at the daily interest rate established in accordance with Section 58.1-15 of the *Code of Virginia* from the date the unpaid tax (or unpaid balance) became due until it is paid. The interest rate is 2% over the underpayment rate established by Section 6621 of the Internal Revenue Code.

Line 6: Enter the total of Lines 3, 4 and 5.

Declaration and Signature: Be sure to sign, date and enter your phone number in the space indicated.

Detach at dotted line below. DO NOT SEND ENTIRE PAGE.

For Educational Use

Form VA-5

(Doc ID 355)

Employer's Return of Virginia Income Tax Withheld

For assistance, call (804)367-8037.

Period	Due Date

OOOOOOOOOOOOOOO 3558888 OOOOOO

Account Number		FEIN
Name		
Address		
City	State	Zip

I declare that this return (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Signature Date Phone Number

Va. Dept. of Taxation VA-5 AR W REV 5/06

1. VA Income Tax Withheld .
2. Previous Period(s) Adjustments (See Instructions) .
3. Adjustment Total .
4. Penalty (See Instructions) .
5. Interest (See Instructions) .
6. Total Amount Due .