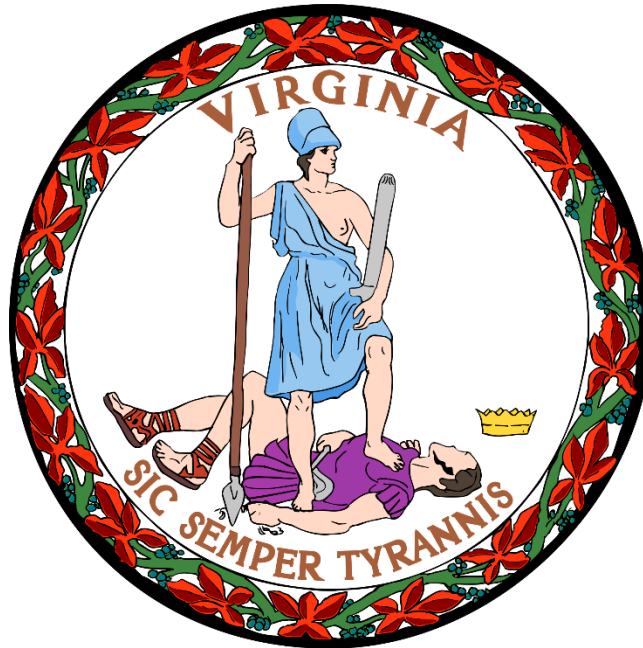


Virginia Department of Taxation



Estate/Trust (Fiduciary) e-File Test Package

Tax Year 2019



Overview

This publication provides guidelines for the Software Developers and Transmitters to test their software with the Fed/State e-File program for the fiduciary income tax 770 form package.

Please refer to the 2019 Estate/Trust (Fiduciary) e-File Guide and Specifications for important details and guidance concerning certain Virginia tax computations and other information important to developing Virginia tax preparation software.

All test scenarios are required to be submitted (please note any limitations and make adjustments as needed):

770 Test Scenarios

- [Test Scenario #1 – FEIN 00-0300001](#)
- [Test Scenario #2 – FEIN 00-0300002](#)
- [Test Scenario #3 – FEIN 00-0300003](#)
- [Test Scenario #4 – FEIN 00-0300004](#)
- [Test Scenario #5 – FEIN 00-0300005](#)
- [Test Scenario #6 – FEIN 00-0300006](#)
- [Test Scenario #7 – FEIN 00-0300007](#)
- [Test Scenario #8 – FEIN 00-0300008](#)

770 Test Scenarios

Test Scenario #1 – FEIN 00-0300001

File a linked Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Calendar Year
- Resident
- Grantor Trust

The taxpayer allows Virginia Tax to discuss the return with the tax preparer. The taxpayer's e-File signature PIN, contact information and preparer's phone number and information are required.

Forms to include:

- Form 770
 - Federal Form 1041
-

Test Scenario #2 – FEIN 00-0300002

File an unlinked Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Calendar Year
- Resident
- Final Return
- Farming, fishing or being a merchant seaman accounts for at least two-thirds of the income

The return results in a refund.

The taxpayer allows Virginia Tax to discuss the return with the tax preparer. The taxpayer's e-File signature PIN, contact information and preparer's phone number and information are required.

Forms to include:

- Form 770
 - Federal Form 1041
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Test Scenario #3 – FEIN 00-0300003

File a Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Fiscal Year
- Resident
- Exempt – Charitable Remainder Trust

Forms to include:

- Form 770
- Binary Attachment - Form 5227

770 Test Scenarios (cont'd)

Test Scenario #4 – FEIN 00-0300004

File a Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Calendar Year
- Resident
- Amended

There are amounts reported on Schedule 1:

- Extension payments
- Virginia income tax withheld (reported on 1099-MISC and Schedule VK-1)
- Amount from Form 760C (exception met indicated – requiring Form 760C to be attached)
- Credit for tax paid to another state

The return results in a balance due paid by direct debit with a Requested Payment Date.

Forms to include:

- Form 770
- 1099-MISC with VA Withholding
- Schedule VK-1 with VA Withholding
- Binary Attachments:
 - Form 760C
- Federal Form 1041

Test Scenario #5 – FEIN 00-0300005

File a Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Split-Year

There are amounts reported on Schedule 1:

- Credit for tax paid to another state (South Carolina)

There are amounts reported on Schedule 3:

- Other additions to federal taxable income
- Other subtractions to federal taxable income

The return results in a balance due paid by check

Forms to include:

- Form 770 Split-Year Return
- Binary Attachments:
 - Form 770 Resident Return
 - South Carolina's state return
 - Form 770 Nonresident Return
- Federal Form 1041

770 Test Scenarios (cont'd)

Test Scenario #6 – FEIN 00-0300006

File a linked Virginia Fiduciary Income Tax Return, Form 770.

Conditions

- Calendar Year
- Resident
- 4 Beneficiaries

There are Credits reported on Schedule 1 and Schedule 5

- Neighborhood Assistance Act Tax Credit
- Major Business Facility Job Tax Credit
- Worker Training Tax Credit

Federal Distributable Net Income, Additions and Subtractions are reported on Schedule 5:

- Federal Taxable Income
- Beneficiary's Federal Distribution Percentage
- Estate or Trust Federal Distribution Percentage
- Interest on Obligations of Other States
- Income taxes of this state or any other taxing jurisdiction
- Fixed Date Conformity Additions
- Other Additions
- Income (Int. /Div. /Gains) – US Obligations
- State Income Tax Refund
- Fixed Date Conformity Subtractions
- Other Subtractions

The return results in no overpayment or amount due.

Forms to include:

- Form 770
- Federal Form 1041

770 Test Scenarios (cont'd)

Test Scenario #7 – FEIN 00-0300007

File a Virginia Fiduciary Income Tax Return, Form 770.

Conditions

- Fiscal Year
- Resident
- 2 Beneficiaries

There are amounts reported on Schedule 1:

- Estimated Tax Payments
- Virginia income tax withheld (from various sources)

There are Credits reported on Schedule 1 and Schedule 5:

- Credit for tax paid to another state
- Neighborhood Assistance Act Tax Credit
- Enterprise Zone Act Tax Credit
- Major Business Facility Job Tax Credit
- Historic Rehabilitation Tax Credit
- Barge and Rail Usage Tax Credit
- Worker Retraining Tax Credit
- Qualified Equity and Subordinated Debt Investments Tax Credit
- 100% Coalfield Employment Enhancement Credit
- Full Coalfield Employment Enhancement Credit
- 85% Coalfield Employment Enhancement Credit
- Land Preservation Tax Credit
- Coal Employment and Production Incentive Tax Credit
- Coalfield Employment Enhancement Tax Credit earned in current tax year
- Worker Training Tax Credit

There are Additions and Subtractions reported on Schedule 3:

- Interest on obligations of other states
- Income taxes of this state or any other taxing jurisdiction
- Fixed Date Conformity Additions
- Other additions to federal taxable income
- Any state income tax refund or credit that was reported as “other income” on federal Form 1041
- Other subtractions from federal taxable income:
 - Gain from Eminent Domain
 - Real Estate Investment Trust

There are Credits reported on Schedule 4:

- Taxable income from Massachusetts
- Taxable income from Connecticut

Federal Distributable Net Income, Additions and Subtractions are reported on Schedule 5:

- Fixed Date Conformity Additions
- Other Subtractions

The return results in a balance due and the banking information is provided for Direct Debit and is filed within the automatic extension period.

The taxpayer allows Virginia Tax to discuss the return with the tax preparer. The taxpayer's e-File signature PIN, contact information and preparer's phone number and information are required.

Forms to include:

- Form 770
- W-2, W-2G, 1099-R, 1099-MISC, 1099-INT, 1099-DIV, 1099-G, 1099-OID, 1099-B, 1099-K, Schedule VK-1 (all with VA Withholding)
- Binary Attachments
 - Massachusetts state return
 - Connecticut's state return
 - Form 301
 - Form 306, Form 306B, Form 306T, and any additional enclosure requirements
- Federal Form 1041

770 Test Scenarios (cont'd)

Test Scenario #8 – FEIN 00-0300008

File a Virginia Fiduciary Income Tax Return, Form 770.

Conditions:

- Calendar Year
- Nonresident
- 3 Beneficiaries

There are amounts reported on Schedule 1:

- Estimated Tax Payments
- Virginia income tax withheld (from various sources)

There are Credits reported on Schedule 1 and Schedule 5:

- Credit for tax paid to another state
- Enterprise Zone Act Tax Credit
- Land Preservation Tax Credit

There is Virginia Taxable Income reported on Schedule 2:

- Income from sources within Virginia (Distributable and Nondistributable)
- Federal deductions attributable to income from sources within Virginia (Distributable and Nondistributable)
- Virginia source income allocation schedule (Beneficiaries and Fiduciary)
- Exemption from federal Form 1041

There are Additions and Subtractions reported on Schedule 3:

- Interest on obligations of other states
- Income taxes of this state or any other taxing jurisdiction
- Fixed Date Conformity Additions
- Other additions to federal taxable income
- Any state income tax refund or credit that was reported as “other income” on federal Form 1041
- Other subtractions from federal taxable income:
 - Deduction for amount paid to a college savings trust account with Va College Savings Plan

There are Credits reported on Schedule 4:

- Taxable income from Arizona
- Taxable income from California

Federal Distributable Net Income, Additions and Subtractions are reported on Schedule 5:

- Interest on Obligations of Other States
- Fixed Date Conformity Addition
- State Income Tax Refund

The return results in an overpayment. 50% of the overpayment is applied to next year's estimated taxes.

The taxpayer allows Virginia Tax to discuss the return with the tax preparer. The taxpayer's e-File signature PIN, contact information and preparer's phone number and information are required.

Forms to include:

- Form 770
- W-2 with VA Withholding
- 1099-K with VA Withholding
- Binary Attachments
 - Arizona's state return
 - California's state return
 - Form 301
- Federal Form 1041