



TAXATION IN VIRGINIA

Corporate Income Tax (1/2)

C corporations in the state of Virginia are required to file a corporate income tax return, if they have any income derived from Virginia or connected with Virginia. This includes corporations with a physical presence in the state, as well as those with no physical presence but generate income from Virginia sources. The corporate income tax rate in Virginia is a flat rate of 6%.



The date for filing the Virginia corporate income tax return falls on the 15th day of the fourth month following the close of the corporation's reporting year. If the due date falls on a weekend or holiday, the deadline may be extended to the next business day.

C corporations in Virginia are required to file the Form 500, Virginia Corporation Income Tax Return, to report the corporation's income, deductions, credits, and tax liability.

Corporations in Virginia are not required to file an extension form to file the corporate income tax return. The corporations are automatically allowed an extension for up to 7 months from the due date of the tax return. However, it is pertinent to note that such extension is merely for filing the return and not an extension of time to pay the corporate's taxes

Corporate Income Tax (2/2)

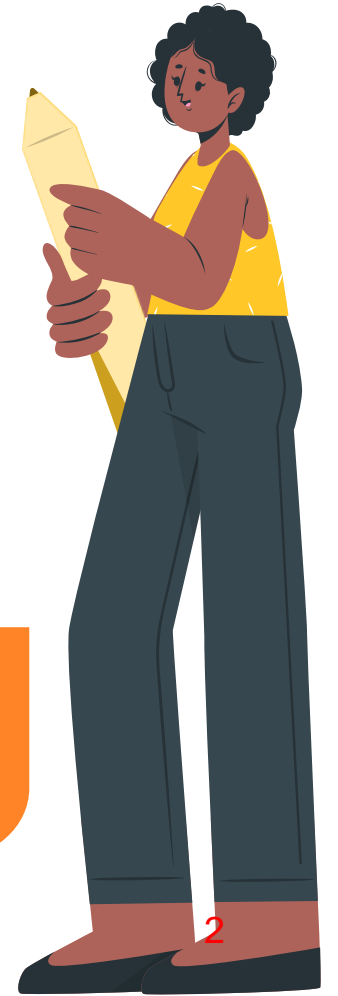
The applicability of estimated tax payments and penalty and interest for corporations in the state are as follows:

C corporations with an estimated tax liability of USD 1,000 or more in the current taxable year are required to make quarterly estimated tax payments by filing the Form 500ES. These payments are typically due on the 15th day of fourth, sixth, ninth and twelfth months of the corporation's reporting year.

Late filing penalty: If the corporate tax return is delinquently filed, a late filing penalty is assessed. The penalty for failure to file timely less than USD 100, and this minimum USD 100 penalty applies whether or not tax is due reporting tax year.

Late payment penalty: If the taxes aren't paid within the due date, a late payment penalty will be assessed at the rate of 6% per month from the date of filing till the date of payment. However, the penalty shall be maximum of 30% of the tax due.

Interest: In the case of unpaid balance of any tax, then for the calendar quarter, the interest is assessed, at the rate of 7% (in general) or at the rate of 9% (for large corporate taxpayers).



Pass through Entity Tax (1/2)

Pass-through entities include S corporations, general partnerships, limited partnerships, limited liability partnerships (LLPs), limited liability companies (LLCs), electing large partnerships, and business trusts. Every pass-through entity (PTE) doing business in Virginia or having income from sources in Virginia are required to electronically file a Pass-through entity income tax return for each taxable year.



The due date for filing the PTE tax return falls on the 15th day of the fourth month following the close of the tax year.



The PTE in Virginia are required to file Form 502, Shareholders' Share of or Partners' Share of Income and Virginia Modifications and Credits, to report the entity's taxes.



PTE in Virginia are not required to file an extension form to file the pass-through entity income tax return. PTE's are automatically allowed an extension for up to 6 months from the due date of the tax return. However, it is pertinent to note that such extension is merely for filing the return and not an extension of time to pay the taxes.

Pass through Entity Tax (2/2)

Estimated Tax Payment

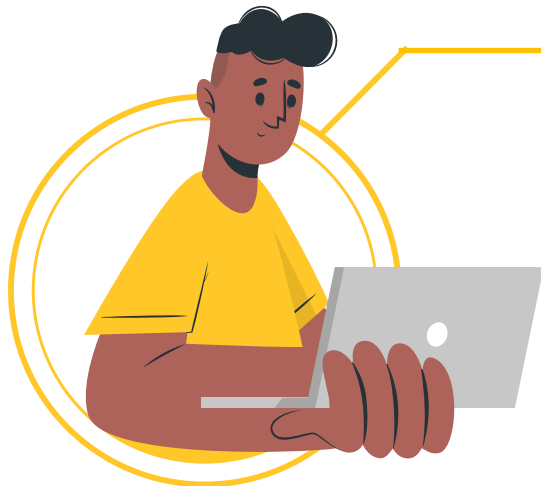
S corporations and Partnership LLC & LLP are pass-through entities, meaning their income is not taxed at the entity level but is instead passed through to the shareholders or partners, who report it on their individual tax returns. Estimated tax payments for these entities are required to be made on or before the 1st of May, 15th of June, 15th of September, and 15th of January of subsequent year, if the PTE owes a tax liability of USD 150 or more for the taxable year. Form 760ES is used to calculate and make these estimated tax payments for the taxable year.



Penalty and Interest

Late payment penalty: If the taxes aren't paid within the due date, a late payment penalty will be assessed at the rate of 6% per month from the date of filing till the date of payment. However, the penalty shall be maximum of 30% of the tax due.

Interest: : In the case of unpaid balance of any tax, then for the calendar quarter, the interest is assessed, at the rate of 7% (in general) or at the rate of 9% (for large corporate taxpayers).

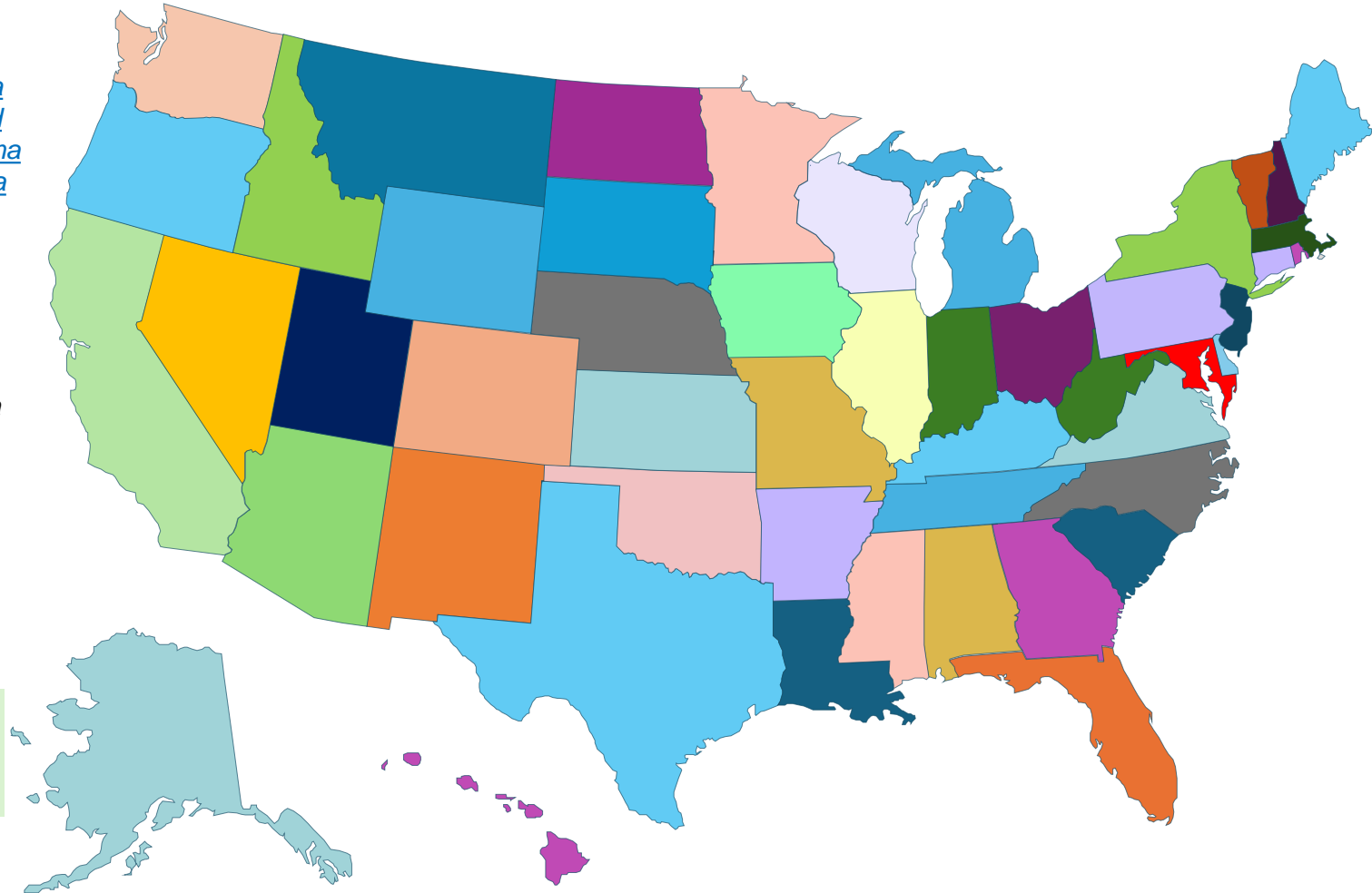


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- | | | |
|--------------------------------|------------------------------------|------------------------------------|
| 1. Delaware | 19. Louisiana | 37. Oregon |
| 2. New Jersey | 20. Maine | 38. Pennsylvania |
| 3. California | 21. Maryland | 39. Rhode Island |
| 4. Alabama | 22. Massachusetts | 40. South Carolina |
| 5. Alaska | 23. Michigan | 41. South Dakota |
| 6. Arizona | 24. Minnesota | 42. Tennessee |
| 7. Arkansas | 25. Mississippi | 43. Texas |
| 8. Colorado | 26. Missouri | 44. Utah |
| 9. Connecticut | 27. Montana | 45. Vermont |
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| 11. Florida | 29. Nevada | 47. Washington |
| 12. Georgia | 30. New Hampshire | 48. West Virginia |
| 13. Hawaii | 31. New Mexico | 49. Wisconsin |
| 14. Idaho | 32. New York | 50. Wyoming |
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| 18. Kansas | 36. Oklahoma | |

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