

Form EST-80

Virginia Estate Tax Return



VA Dept of Taxation 3101027 3/07

For dates of death from January 1, 2005 through June 30, 2007

- A Resident Return
B Nonresident Return
C Alien Return
D Amended Return
E Amended - Fed Audit
F Extension - Filing
G Extension - Payment
H IRC 6166 Extension

IMPORTANT: A copy of the federal estate tax return, Form 706, must be filed with this return.

Decedent's Name
Social Security Number
Domicile at Date of Death
Date of Death
Personal Representative
Address

Official use only
Amount Received
Date Received

- 1. Total gross estate (from Line 1, Form 706)
2. Allowable deductions (from Line 2, Form 706)
3a. Tentative Taxable Estate (Line 1 less Line 2)
3b. State death tax deduction (see instructions)
3c. Taxable Estate (Line 3a less Line 3b)
4. Adjusted taxable gifts from Line 4, Form 706
5. Add Lines 3 and 4
6a. Enter amount from Line 12 of Federal Form 706
6b. Enter Tax from Tax Table
6. Virginia Estate Tax (enter the lesser of Line 6a or Line 6b)

Resident Return (Box A above)

- 7a. If Box A above is checked, enter value of real and tangible personal property included in Line 1 located outside Virginia.
7b. Divide Line 7a by Line 1 (Enter % two places past decimal. Ex: 47.35%)
7c. Multiply Line 7b by Line 6
7d. Death taxes paid to other states (do not include penalty or interest)
7. Enter lesser of Line 7c or Line 7d
8. Virginia Estate Tax (Virginia Residents) Line 6 less Line 7

Nonresident or Alien Return (Box B or C above)

- 9a. If Box B or C above is checked, enter value of property included in Line 1 located in Virginia
9b. Divide Line 9a by Line 1 (Enter % two places past decimal. Ex: 47.35%)
9. Virginia Estate tax (Nonresidents) Multiply Line 9b by Line 6

- 10. Total tax (Enter tax from Line 8 or 9 as applicable)
11. Payment Credits: Extension Payments, Other Payments, Less Previous Refunds
Total Payment Credits (Line 11a +11b - 11c)
12. Tax due (Line 10 less Line 11. Do not enter an amount less than zero)
13. Penalty, if applicable (see instructions)
14. Interest, if applicable (see instructions)
15. Total tax, penalty and interest due (Line 12 + 13 +14)
16. Overpayment (if Line 11 is larger than Line 10, enter overpayment)

Under penalty of law, I declare that I have examined this return and, to the best of my knowledge and belief, it is a true, correct and complete return.
I authorize the Dept. of Taxation to discuss this return with my preparer.

Signature of personal representative Date Telephone Number
Signature of preparer if other than personal representative Address Date Telephone Number

FILING REQUIREMENTS

Code of Virginia §58.1-900 et seq. imposes the estate tax on estates of decedents whose date of death occurred from January 1, 2005 through June 30, 2007 in an amount equal to the maximum amount of the credit for state death taxes allowable under Section 2011 of the Internal Revenue Code as it existed on January 1, 1978. The Virginia estate tax requirements have been repealed for decedents whose date of death occurred on or after July 1, 2007. If a federal return is required to be filed for a decedent whose

date of death occurred prior to July 1, 2007, a Virginia return must also be filed even if there is no tax due. For information or assistance with completing Form EST- 80, contact the Virginia Department of Taxation at (804) 367-8031. Additional information can also be obtained from Title 23 Virginia Administrative Code (VAC) 10-300-10 through 10-300-90. Mail the return to **Virginia Department of Taxation, Processing Operations, P. O. Box 1500, Richmond, VA 23218-1500.**

FILING THRESHOLDS

DATE OF DEATH	GROSS VALUE EXCEEDING	DATE OF DEATH	GROSS VALUE EXCEEDING
Through December 31, 1997	\$600,000	January 1, 2002 - December 31, 2003	\$1,000,000
January 1, 1998 - December 31, 1998	\$625,000	January 1, 2004 - December 31, 2005	\$1,500,000
January 1, 1999 - December 31, 1999	\$650,000	January 1, 2006 - June 30, 2007	\$2,000,000
January 1, 2000 - December 31, 2001	\$675,000		

FORM INSTRUCTIONS

Check appropriate box in the upper left hand corner of the return. Fill in Decedent's Name, SSN, Date of Death and State of Domicile at Date of Death. Fill in the name and address of the Personal Representative to whom all correspondence will be addressed. A continuation sheet may be attached if there are more than one.

- Line 1 From Line 1, Federal Form 706
- Line 2 From Line 2, Federal Form 706
- Line 3a Subtract Line 2 from Line 1
- Line 3b From Line 3b, Federal Form 706. See "New Federal Deduction" section on next page for more information on the federal deduction for state death taxes.
- Line 3c Subtract Line 3b from 3a
- Line 4 From Line 4, Federal Form 706
- Line 5 Line 3c plus Line 4
- Line 6a Enter amount from Line 12 of Federal Form 706.
- Line 6b Compute tax on Line 3c using tax table on next page.
- Line 6 Enter lesser of Line 6a or 6b.
- Line 7a If Box A is checked, enter value of the Virginia resident's real and tangible personal property located outside of Virginia.
- Line 7b Divide Line 7a by Line 1 (carry the calculation to 4 decimal places, expressed as a percentage with two decimal places, e.g, 47.35%)
- Line 7c Multiply Line 7b by Line 6 (maximum credit for tax paid to other states)
- Line 7d Enter amount of estate tax actually paid to other states. Do not include penalty or interest. Credits

- for Estate Taxes paid to another state must be documented — attach a copy of the other state's closing letter certifying the amount of tax paid or a copy of the tax return filed in the other state(s).
- Line 7 Enter the Lesser of Line 7c or Line 7d
- Line 8 Line 6 less Line 7. This is the amount of estate tax due to the Commonwealth of Virginia for Virginia residents.
- Line 9a If Box B is checked, enter value of nonresident's real and tangible personal property located in Virginia. If Box C is checked, enter value of alien decedent's real and tangible/intangible personal property located in Virginia.
- Line 9b Divide Line 9a by Line 1 (carry the calculation to 4 decimal places, expressed as a percentage with two decimal places, e.g, 47.35%)
- Line 9 Multiply Line 9b by Line 6.
- Line 10 Enter tax from line 8 or line 9 as applicable.
- Line 11a Enter amount of extension payments made with extension request.
- Line 11b Enter amount of other payments made
- Line 11c Enter amount of refunds issued
- Line 11 Line 11a + Line 11b - Line 11c
- Line 12 Line 10 less line 11 (do not enter an amount less than zero)
- Line 13 Penalty. If payment is made later than the due date or extended due date (for payment), enter 5% of Line 12.
- Line 14 Compute interest, as established below, for all payments not made by the original due date.
- Line 15 Add lines 12, 13 and 14
- Line 16 If line 11 is larger than line 10, enter refund amount.

Adjusted Taxable Estate Worksheet

1. Taxable estate (Line 3c from Form EST-80)	_____
2. Adjustment	60,000
3. Adjusted taxable estate (Subtract line 2 from line 1). Use this amount to compute tax from Tax Table below.	_____

Tax Table — Virginia Estate Tax

Based on Adjusted Taxable Estate (Line 3c - Form EST-80 less \$60,000)

(1)	(2)	(3)	(4)
Adjusted Taxable Estate		Tax on amount in Column (1)	Rate of tax on excess over amount in Column (1)
Taxable amount equal to or over	Taxable amount not over		
0	40,000	0	
40,000	90,000	0	0.8%
90,000	140,000	400	1.6%
140,000	240,000	1,200	2.4%
240,000	440,000	3,600	3.2%
440,000	640,000	10,000	4.0%
640,000	840,000	18,000	4.8%
840,000	1,040,000	27,600	5.6%
1,040,000	1,540,000	38,800	6.4%
1,540,000	2,040,000	70,800	7.2%
2,040,000	2,540,000	106,800	8.0%

(1)	(2)	(3)	(4)
Adjusted Taxable Estate		Tax on amount in Column (1)	Rate of tax on excess over amount in Column (1)
Taxable amount equal to or over	Taxable amount not over		
2,540,000	3,040,000	146,800	8.8%
3,040,000	3,540,000	190,800	9.6%
3,540,000	4,040,000	238,800	10.4%
4,040,000	5,040,000	290,800	11.2%
5,040,000	6,040,000	402,800	12.0%
6,040,000	7,040,000	522,800	12.8%
7,040,000	8,040,000	650,800	13.6%
8,040,000	9,040,000	786,800	14.4%
9,040,000	10,040,000	930,800	15.2%
10,040,000	-----	1,082,800	16.0%

NEW FEDERAL DEDUCTION

Effective for decedents dying on and after January 1, 2005, federal law allows estates to deduct the inheritance and estate taxes paid to the states. Because the Virginia estate tax will reduce the federal taxable estate, which is the starting point for calculating Virginia tax,

it will be necessary to use simultaneous equations to calculate the Virginia tax. Additional information is available on the Department of Taxation website to assist you in calculating Virginia tax. See www.tax.virginia.gov.

PENALTY AND INTEREST

The penalty for late payment of the tax is 5% of the tax due on Line 13 of the return. There is no penalty for late filing. Interest is accrued on the tax owed, from the due date through the date the tax is paid.

In accordance with § 58.1-15 of the Code of Virginia, interest is assessed at the federal underpayment rate established by the Internal Revenue Service, plus 2%.

EXTENSIONS

Virginia law allows an extension of time for filing Form EST-80 and/or paying the tax due only if a federal extension has been granted. The Department of Taxation accepts any extension granted by the Internal Revenue Service, as long as a true copy of the approved federal extension is attached to the Virginia return when filed. If a federal extension is requested for filing only, the Virginia tax is still due to be paid within nine months from the date of death. To pay the tax (estimated payment), use Form EST-80, check Box F and enter

amount of tax on line 15, leave lines 1-14 blank. If the tax is not paid by the due date, penalty and interest will be assessed. Estates requesting a payment extension under Internal Revenue Code §6166 must attach a copy of the letter requesting such extension and check Box H on page 1. Interest on the Virginia Estate Tax under this extension will NOT be reduced to correspond with the Internal Revenue Service reductions.

AMENDED RETURNS

If filing an amended return to report changes to the original return, check Box D and attach a copy of the amended Federal Form 706. If this return is requesting a refund, include federal acceptance. To

file an amended return due to a federal change, check Box E and attach a copy of the federal audit.

IMPORTANT

A COPY OF THE FEDERAL ESTATE TAX RETURN, FORM 706 MUST BE FILED WITH THIS RETURN. Be sure to include all schedules and continuation pages, approved payment extensions and/or a copy of the letter to the IRS requesting an extension under

Section 6166 of the Internal Revenue Code. Do not include a copy of the will or copies of real and personal property appraisals. This information will be requested if needed.