

Income/Franchise:

Virginia: Sample Combined Filing Information Report Posted in Advance of July 1 Due Date

Notice, Vir. Dept. of Tax. (4/27/21). Pursuant to new state law requiring some corporations that are members of a “unitary business” to file an informational report with the Virginia Department of Taxation (Department) by July 1 containing the unitary group’s combined net income and tax [see H.B. 1800 (2021), and *State Tax Matters*, Issue 2021-15 and *State Tax Matters*, Issue 2021-14, for more details on this new law], the Department has posted a sample of the report along with instructions and continues to explain that the “one-time report” will allow it to “put together a report detailing the revenue impacts of combined corporate income tax reporting” in Virginia. The Department clarifies that there is no tax due with this report; however, if impacted businesses do not file the report, or make a material misstatement or omission on it, they may be subject to a \$10,000 penalty.

URL: <https://www.tax.virginia.gov/news/corporate-unitary>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?212+sum+HB1800&212+sum+HB1800>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210416_5.html

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210409_10.html

According to the Department, impacted businesses will be able to file their informational report using its “Web Upload application” beginning May 1. The report “will need to include information about the unitary group’s income, apportionment computation, tax credits, and tax liability calculation,” and “the designated member will need to provide this information as if filing a unitary combined report under both the Joyce and Finnigan methods, as well as the same tax information as it is under the current filing requirements for all the members of the group that have nexus with Virginia.” The Department also states that “more detailed instructions are being developed and will be posted” soon. Please contact us with any questions.

— Dave Vistica (Washington, DC)
Managing Director
Deloitte Tax LLP
dvistica@deloitte.com

Jennifer Alban-Bond (McLean)
Senior Manager
Deloitte Tax LLP
jalbanbond@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.