

**Pass-Through Entity
Return of Income and Return of
Nonresident Withholding Tax**



Official Use Only

FISCAL or
SHORT Year Filer: Beginning Date _____, 2016; Ending Date _____, 20____

Check if VK-1s filed by Web Upload

By checking the box to the right, I (we) authorize the Department to discuss this return with the undersigned tax preparer. _____

Check if: Initial return Amended return Final return Name change Address change Change in fiscal year
 Unified nonresident return filed Electing large partnership Subject to Bank Franchise Tax

| | | |
|-----------------------------------|--|----------------------------------|
| FEIN | Date of Formation | Entity Type (See instructions) |
| Entity Name | Date Operations Began in Virginia | NAICS |
| Number and Street | State or Country Where Incorporated or Organized | Description of Business Activity |
| City or Town, State, and ZIP Code | | |

Number and Types of Owners

Count all of the owners who were issued a federal Schedule K-1 for the taxable year and enter:

- a. The total number of owners (include individuals and any other entity types) a. _____
- b. The total number of nonresident owners (see instructions). b. _____
- c. Total amount withheld for nonresident owners (total of Line e from all Schedules VK-1) c. _____ .00
- d. If the entity is exempt from withholding, enter the exemption code (see instructions)..... d. _____

Distributive or Pro Rata Income and Deductions - See instructions.

- 1. Total taxable income amounts 1. _____ .00
- 2. Total deductions 2. _____ .00
- 3. Tax-exempt interest income 3. _____ .00

Allocation and Apportionment - Check if electing the manufacturer's alternative method of apportionment

- 4. Income allocated to Virginia (from Schedule 502A, Section C, Line 2) 4. _____ .00
- 5. Income allocated outside of Virginia (from Schedule 502A, Section C, Line 3(e)) 5. _____ .00
- 6. Apportionable income (from Schedule 502A, Section C, Line 4) 6. _____ .00
- 7. Virginia apportionment percentage (from Schedule 502A, Section B, percent from Line 1 or Line 2(g) or 100%) .. 7. _____ %

Virginia Additions - See Schedule 502ADJ for Other Additions

- 8. Fixed date conformity - depreciation 8. _____ .00
- 9. Fixed date conformity - other 9. _____ .00
- 10. Net income tax or other tax used as a deduction in determining taxable income (see instructions). 10. _____ .00
- 11. Interest on municipal or state obligations other than from Virginia 11. _____ .00
- 12. Total additions from attached Schedule 502ADJ, Section A , Line 5 12. _____ .00
- 13. Total additions. Add Lines 8 through 12 13. _____ .00

Virginia Subtractions - See Schedule 502ADJ for Other Subtractions

- 14. Fixed date conformity - depreciation 14. _____ .00
- 15. Fixed date conformity - other 15. _____ .00
- 16. Income from obligations of the United States 16. _____ .00
- 17. Total subtractions from attached Schedule 502ADJ, Section B, Line 5 17. _____ .00
- 18. Total subtractions. Add Lines 14 through 17 18. _____ .00

Virginia Tax Credits Passed Through to Owners (From Schedule 502ADJ)

- 19. Total nonrefundable credits (from attached Schedule 502ADJ, Section C, Line 38). 19. _____ .00
- 20. Total refundable credits (from attached Schedule 502ADJ, Section C, Line 46). 20. _____ .00

Name _____

FEIN _____



Section 1: Withholding Payment Reconciliation

| | | | |
|--|----|-------|-----|
| 1. Total withholding tax due for nonresident owners | 1. | _____ | .00 |
| 2. Total withholding tax paid (Entity's own payments only – see instructions) | 2. | _____ | .00 |
| 3. Overpayment. If Line 2 is greater than Line 1, subtract Line 1 from Line 2 | 3. | _____ | .00 |
| 4. Withholding tax due. If Line 2 is less than Line 1, subtract Line 2 from Line 1 | 4. | _____ | .00 |

Section 2: Penalty and Interest Charges on Withholding Tax

| | | | |
|---|----|-------|-----|
| 5. Extension penalty (may apply to returns filed within extension period if 90% of Line 1 is not paid timely) | 5. | _____ | .00 |
| 6. Late payment penalty on tax due (will apply if there is a balance due on Line 4 and Form 502 is being filed more than 6 months after the original due date). Enter 30% of the amount on Line 4 | 6. | _____ | .00 |
| 7. Interest (may apply if there is a balance due on Line 4) | 7. | _____ | .00 |
| 8. Penalty and interest charges due. Add Line 5 or Line 6 (whichever applies) to Line 7 | 8. | _____ | .00 |

Section 3: Penalty for Late Filing of Form 502

| | | | |
|---|----|-------|-----|
| 9. If Form 502 is being filed more than six months after the original due date, or more than 30 days after the federal extended due date, enter \$1,200. | 9. | _____ | .00 |
|---|----|-------|-----|

Section 4: Withholding Overpayment

| | | | |
|---|-----|-------|-----|
| 10. Net overpayment. If Line 8 or Line 9 exceeds Line 3, go to Line 13 below to compute the total payment due. Compare Line 6 and Line 9. If Line 6 is greater than Line 9, subtract Line 8 from Line 3. If Line 9 is greater than Line 6, subtract Line 7 plus Line 9 from Line 3. Otherwise, enter overpayment amount from Line 3. | 10. | _____ | .00 |
| 11. Amount of withholding overpayment to be credited to 2017 | 11. | _____ | .00 |
| 12. Amount of withholding overpayment to be refunded | 12. | _____ | .00 |

Section 5: Tax, Penalty, and Interest Due

| | | | |
|--|-----|-------|-----|
| 13. Balance of tax due plus extension penalty, if applicable. If there is an amount due on Line 4, enter Line 4 plus Line 5. If there is an overpayment on Line 3 and Line 8 or Line 9 is greater than Line 3, enter Line 5 minus Line 3. | 13. | _____ | .00 |
| 14. Interest charges on withholding tax from Line 7 | 14. | _____ | .00 |
| 15. Late filing penalty. Enter the greater of Line 6 or Line 9 | 15. | _____ | .00 |
| 16. Total payment due. Add Line 13, Line 14, and Line 15. | 16. | _____ | .00 |

Section 6: Amount Due or Refund

| | | | |
|--|-----|-------|-----|
| 17. Motion Picture Production Tax Credit to be refunded directly to PTE (see instructions) | 17. | _____ | .00 |
| 18. Research and Development Expenses Tax Credit to be refunded directly to PTE (see instructions) | 18. | _____ | .00 |
| 19. Credit to be Refunded Directly to PTE. Add Line 17 and Line 18 | 19. | _____ | .00 |
| 20. Amount Due. If there is an amount due on Line 16 and the amount exceeds the amount on Line 19, subtract Line 19 from Line 16. | 20. | _____ | .00 |
| 21. Amount of Refund. If there is an amount due on Line 16 and the amount is less than the amount on Line 19, subtract Line 16 from Line 19. If there is an amount on Line 12, add Line 12 and Line 19. | 21. | _____ | .00 |

I, the undersigned owner and authorized representative of the pass-through entity for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules, statements, and attachments) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the tax laws of the Commonwealth of Virginia. A preparer other than the authorized representative declares the same, and such declaration is based on all information of which he or she has any knowledge.

 Signature of Owner or Authorized Representative Title Date

 Printed Name of Owner or Authorized Representative Phone

 Individual or Firm, Signature of Preparer, Phone Number, and Address Date

 Printed Name of Individual or Firm Preparer's FEIN, PTIN, or SSN Approved Vendor Code

Include a copy of your federal return with Form 502. Important: Please do not include a federal Schedule K-1 for each owner. If you filed a Schedule VK-1 for each owner online using Web Upload, do not include copies of Schedule VK-1 with the Form 502.

Do not submit Form 765 with this return - Mail it to the address on Form 765.

2016 Virginia Schedule VK-1 (Form 502) **Owner's Share of Income and Virginia Modifications and Credits**



Check If -

- Final **If SHORT Period Return: Beginning Date** _____, 2016; **Ending Date** _____, 20____
- Amended Return Owner is Participating in an Individual Unified Nonresident Return

Owner Information

Pass-Through Entity (PTE) Information

| | | | |
|-----------------------------------|-------------|-----------------------------------|-----------------------|
| Name | FEIN or SSN | Name | FEIN |
| Address | | Address | Taxable Year End Date |
| Address | | Address | |
| City or Town, State, and ZIP Code | | City or Town, State, and ZIP Code | |

Additional Owner Information

- a. Date Owner Acquired Interest in the PTE (MM/DD/YYYY) / /
- b. Owner's Entity Type (Enter code; see instructions).....
- c. Owner's Participation Type (Enter code; see instructions).....
- d. Owner's Participation Percentage (Example: 47.35%; see instructions) %
- e. Amount Withheld by PTE for the Owner
- f. If Owner or Entity is Exempt From Withholding Enter an Exemption Code (see instructions).....

Distributive or Pro Rata Income and Deductions

See instructions.

1. Total of Taxable Income Amounts 1. .00
2. Total of Deductions 2. .00
3. Tax-Exempt Interest Income 3. .00

Allocation and Apportionment

4. Income Allocated to Virginia (Owner's Share From PTE's Schedule 502A, Section C, Line 2) 4. .00
5. Income Allocated Outside of Virginia (Owner's Share From PTE's Schedule 502A, Section C, Line 3(e)) 5. .00
6. Apportionable Income (Owner's Share From PTE's Schedule 502A, Section C, Line 4) 6. .00
7. Virginia Apportionment Percentage (From PTE's Schedule 502A, Section B, percent from Line 1 or Line 2(g), or 100%) 7. %

Virginia Additions - Owner's Share

8. Fixed-Date Conformity - Depreciation 8. .00
9. Fixed-Date Conformity - Other 9. .00
10. Net Income Tax or Other Tax Used as a Deduction in Determining Taxable Income (see instructions) 10. .00
11. Interest on Municipal or State Obligations Other than from Virginia 11. .00
12. Other Additions (See Instructions for Schedule 502ADJ for Addition Codes.)
- | | | | |
|---------------------------|--------|---------------------------|--------|
| Code | Amount | Code | Amount |
| 12a. <input type="text"/> | .00 | 12b. <input type="text"/> | .00 |
| 12c. <input type="text"/> | .00 | 12d. <input type="text"/> | .00 |
13. **Total Additions** (add Lines 8-11 and 12a-12d) 13. .00

Virginia Subtractions - Owner's Share

14. Fixed-Date Conformity - Depreciation 14. .00
15. Fixed-Date Conformity - Other 15. .00
16. Income From Obligations of the United States 16. .00
17. Other Subtractions (See Instructions for Schedule 502ADJ for Subtraction Codes.)
- | | | | |
|---------------------------|--------|---------------------------|--------|
| Code | Amount | Code | Amount |
| 17a. <input type="text"/> | .00 | 17b. <input type="text"/> | .00 |
| 17c. <input type="text"/> | .00 | 17d. <input type="text"/> | .00 |
18. **Total Subtractions.** (Add Lines 14-16 and 17a-17d) 18. .00

2016 Virginia Schedule VK-1 Page 2

Owner Federal Employer ID Number or SSN _____



PTE Federal Employer ID Number _____

Virginia Tax Credits. See the Schedule CR Instructions (Individuals) or Form 500 Instructions (Corporations).

Nonrefundable Credits

| | | | |
|--|--|------------------|----------------|
| 1. State Income Tax Paid (see instructions) | 1. | _____ | .00 |
| 2. Neighborhood Assistance Act Credit | 2. | _____ | .00 |
| 3. Enterprise Zone Act General Tax Credit | 3. | _____ | .00 |
| 4. Enterprise Zone Act Zone Investment Tax Credit | 4. | _____ | .00 |
| 5. RESERVED FOR FUTURE USE | 5. | _____ | .00 |
| 6. Conservation Tillage Equipment Credit | 6. | _____ | .00 |
| 7. Biodiesel and Green Diesel Fuels Tax Credit | 7. | _____ | .00 |
| 8. Precision Fertilizer and Pesticide Application Equipment Tax Credit | 8. | _____ | .00 |
| 9. Recyclable Materials Processing Equipment Credit | 9. | _____ | .00 |
| 10. RESERVED FOR FUTURE USE | 10. | _____ | .00 |
| 11a. Clean-Fuel Vehicle Credit (Only Carryover Credit Allowed) | 11a. | _____ | .00 |
| 11b. Vehicle Emissions Testing Equipment Credit | 11b. | _____ | .00 |
| 12. Major Business Facility Job Tax Credit | 12. | _____ | .00 |
| 13. Clean-Fuel Vehicle Job Creation Tax Credit. (Expired - Only Carryover Credit(s) Allowed) | 13. | _____ | .00 |
| 14. Day-Care Facility Investment Tax Credit. (Expired December 31, 2013 - Only Carryover Credit Allowed) | 14. | _____ | .00 |
| 15. RESERVED FOR FUTURE USE | 15. | _____ | .00 |
| 16. Agricultural Best Management Practices Tax Credit. (If an individual, see Schedule CR instructions) | 16. | _____ | .00 |
| 17. Worker Retraining Tax Credit | 17. | _____ | .00 |
| 18. Waste Motor Oil Burning Equipment Credit | 18. | _____ | .00 |
| 19. Riparian Forest Buffer Protection for Waterways Tax Credit | 19. | _____ | .00 |
| 20. Virginia Coal and Production Incentive Tax Credit 20. _____ .00 | 21. Enter the amount of credit assigned to another party 21. _____ .00 | | |
| 22. Virginia Coal and Production Incentive Tax Credit available for use by owner (Subtract Line 21 from Line 20) | 22. | _____ | .00 |
| 23. Historic Rehabilitation Tax Credit | 23. | _____ | .00 |
| 24. Land Preservation Tax Credit | 24. | _____ | .00 |
| 25. Qualified Equity and Subordinated Debt Investments Tax Credit | 25. | _____ | .00 |
| 26. Communities of Opportunity Tax Credit | 26. | _____ | .00 |
| 27. Green Jobs Creation Tax Credit | 27. | _____ | .00 |
| 28. Farm Wineries and Vineyards Tax Credit | 28. | _____ | .00 |
| 29. International Trade Facility Tax Credit | 29. | _____ | .00 |
| 30. Port Volume Increase Tax Credit | 30. | _____ | .00 |
| 31. Barge and Rail Usage Tax Credit | 31. | _____ | .00 |
| 32. Livable Home Tax Credit | 32. | _____ | .00 |
| 33. Research and Development Expenses Tax Credit (Use this line if the taxpayer does not qualify for a refundable credit.) | 33. | _____ | .00 |
| 34. Telework Expenses Tax Credit | 34. | _____ | .00 |
| 35. Education Improvement Scholarships Tax Credit | 35. | _____ | .00 |
| 36. Major Research and Development Expenses Tax Credit | 36. | _____ | .00 |
| 37. Food Crop Donation Tax Credit | 37. | _____ | .00 |
| 38. Total Nonrefundable Credits. (Total Lines 1-19 and 22-37) | 38. | _____ | .00 |

Refundable Credits

| | | | |
|--|-----|-------|-----|
| 39. 100% Coalfield Employment Enhancement and/or Virginia Coal Employment and Production Incentive Tax Credits from Schedule B, Line 2 of your 2016 Form 306. | 39. | _____ | .00 |
| 40. Full Credit: Enter amount from 2016 Form 306, Line 12 | 40. | _____ | .00 |
| 41. 85% Credit: Enter amount from 2016 Form 306, Line 13 | 41. | _____ | .00 |
| 42. Total Coal Related Tax Credits allowable this year: (Add Lines 40 and 41) | 42. | _____ | .00 |
| 43. 2016 Coalfield Employment Enhancement Tax Credit earned to be used when completing your 2019 return. Enter amount from your 2016 Form 306, Line 11 | 43. | _____ | .00 |
| 44. Motion Picture Production Tax Credit | 44. | _____ | .00 |
| 45. Research and Development Expenses Tax Credit | 45. | _____ | .00 |
| 46. Total Refundable Credits. (Add Lines 42, 44, and 45) | 46. | _____ | .00 |

NOTICE: You have received this Schedule VK-1 because the above named PTE earned income from Virginia sources and has passed through to you a portion of that Virginia source income based on your ownership of the PTE. A copy of this schedule has been filed with the Department. Everyone who receives Virginia source income is subject to taxation by Virginia regardless of state of residency or domicile. You may be required to file a Virginia tax return even though you may be a nonresident individual or a business domiciled outside of Virginia. To determine if you are required to file a Virginia income tax return, consult a tax professional. Information and forms may be obtained at www.tax.virginia.gov, or by calling the Department at (804) 367-8031 (individuals) or (804) 367-8037 (businesses).