

# Employer's Quarterly Reconciliation and Return of Virginia Income Tax Withheld Instructions

## Special Notice

**Effective July 1, 2011, electronic filing is mandatory for semi-weekly filers. Use this form only for prior periods or if amending your return, unless you have been granted a waiver from the electronic filing requirement.**

**Electronic Filing Mandate:** Effective July 1, 2011, all employers required to file semi-weekly must file all returns and make all payments electronically using Business iFile, Web Upload, EFT Debit (pay by phone) and/or EFT Credit. See [www.tax.virginia.gov](http://www.tax.virginia.gov) for these electronic filing options. The first VA-16 affected by this requirement is the 2011, third quarter reconciliation due October 31, 2011.

**General:** An employer who pays wages to one or more employees is required to deduct and withhold state income tax from those wages. Virginia law substantially conforms to the federal definition of "wages." Therefore, Virginia withholding is generally required on any payment for which federal withholding is required, except amounts paid pursuant to individual retirement accounts and simplified employee pension plans as defined in Sections 7701(a) (37) and 408(c) of the Internal Revenue Code.

**Filing Procedure:** This form is used by semi-weekly filers to reconcile payments for each calendar quarter. Form VA-16 is due on April 30, July 31, October 31 and January 31

For periods prior to the 2011 third quarter or if amending any period, mail Form VA-16 with your payment to:

**Virginia Dept. of Taxation  
P.O. Box 27264  
Richmond, VA 23261-7264**

**A return must be filed for each reporting period even if no tax is due.** Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

**Change of Ownership:** If there has been a change of ownership, do not use the return with the name and account number of the former owner. Send the return with notice of change to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov). A Form R-1 can be obtained from the Department's web site or by calling the Department's Forms Request Unit at (804) 440-2541.

**Change of Address/Out-of-Business:** If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request, or a letter to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. A Form R-3 can be obtained from the Department's Web-site: [www.tax.virginia.gov](http://www.tax.virginia.gov), or by calling the Department's Forms Request Unit at (804) 440-2541.

**Questions:** If you have any questions about this return, please call (804) 367-8037 or write the **Virginia Department of Taxation, P.O. Box 1115, Richmond, Virginia 23218-1115**.

### Preparation of Return

- Line 1:** Enter amount of income tax withholding liability for the quarter for which the return is being filed.
  - Line 2:** Enter overpayment or underpayment from a prior period. Attach a detailed explanation of the overpayment or underpayment to the return.
  - Line 3:** Subtract overpayment (Line 2) from Line 1 or add underpayment (Line 2) to Line 1 and enter the amount. (Line 1 ± Line 2 = Line 3).
  - Line 4:** Enter all payments made for the quarter.
  - Line 5:** Subtract Line 4 from Line 3 and enter tax due. If the amount due is more than 10% of Line 3, and Line 3 exceeds \$500, compute penalty (Line 6) and interest (Line 7). (Line 3 - Line 4 = Line 5)
  - Line 6:** Enter penalty, if applicable. Semi-weekly filers are also subject to a penalty if at least 90% of the total liability for each calendar quarter has not been paid within 3 days of the close of a quarter. The amount subject to penalty is determined by subtracting 10% of the amount reported on Line 3 from the balance due on Line 5 of the return. If Form VA-16 is filed on time with full payment that exceeds \$500, the penalty is 6% of the amount computed above (Line 5). If Form VA-16 is filed or paid late, the penalty will accrue on the unpaid balance at a rate of 6% for each month or fraction of a month, not to exceed 30%. In no case will the penalty be less than \$10, **even if no tax is due**.
  - Line 7:** Enter interest, if applicable. If this return is filed after the due date or the tax on Line 5 is more than 10% of Line 3, and Line 3 exceeds \$500, interest must be computed at a rate equal to the rate of interest established under Section 6621 of the Internal Revenue Code, plus 2%. Multiply the amount on Line 5 by the interest rate.
  - Line 8:** Enter any Form VA-15 payments that are required to be filed within 3 days from the end of the quarter. For example, if filing a return (Lines 1-7, Form VA-16) for January through March, use Line 8 to make any required payments of employer withholding tax that are due from April 27th through April 30th.
  - Line 9:** Enter the total of Lines 5, 6, 7 and 8. This amount must be paid at the time the return is filed.
- Declaration and Signature:** Be sure to sign, date and enter your phone number on the reverse side of the return in the space indicated.

**This paper is perforated. Detach at dotted line below. DO NOT SEND ENTIRE PAGE.**

## Form VA-16 Employer's Quarterly Reconciliation and Return of Virginia Income Tax Withheld (Doc ID 316)

For assistance, call (804)367-8037.

Period	Due Date
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Account Number		FEIN	
Name			
Address			
City	State	Zip	

I declare that this return (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Phone Number \_\_\_\_\_

1. VA Income Tax Withheld	•
2. Previous Period(s) Adjustments (See Instructions)	•
3. Adjusted Total	•
4. Payments Made During This Period	•
5. Balance of Tax Due This Quarter	•
6. Penalty (See Instructions)	•
7. Interest (See Instructions)	•
8. Payment for Month Following This Period	•
9. Total Amount Due	•

Check if paid by EFT.