

*****KEEP FOR YOUR RECORDS*****

Virginia Filing Status Results

(When Married Filing Joint on Federal Return)

Your filing status on the Virginia return is usually the same filing status as on your Federal return. However, married taxpayers have the option of either filing jointly (status 2) or filing separately (status 4) on the Virginia return.

If you and your spouse both have income, you may pay less tax by filing status 4.

STATUS 2. MARRIED FILING JOINT RETURN.

Check filing status 2 if you are married and want to report your income, deductions and exemptions together in one column. Both spouses must sign the return.

You and your spouse may choose to file a joint return if (a) you computed your federal income tax liabilities together on a joint federal return, or (b) neither you nor your spouse was required to file a federal return. You may claim this filing status even if your spouse has no income.

When filing a joint return, your spouse's exemption is included in the "Yourself" column. Do not claim your spouse as a dependent.

STATUS 4. MARRIED FILING SEPARATELY ON COMBINED RETURN.

Check filing status 4 if you are married and want to file separately on one return. If you receive a refund, it will be made payable to both husband and wife. Both spouses must sign the return.

You can use this filing status if both you and your spouse had income, regardless of whether you filed jointly or separately for federal purposes. When both spouses have income, this filing status usually enables a couple to compute a lower tax than filing a joint return (Filing Status 2). If you choose Filing Status 4, you are jointly and severally liable for the amount of tax due and any refunds will be made jointly payable.

Since Virginia's income tax is imposed at graduated rates, a couple with income attributable to each spouse may find that by using Filing Status 2, their joint income is taxed at a higher rate than their separate incomes would be. Filing Status 4 is designed to adjust for this difference. Filing Status 4 allows a couple to compute a combined tax by reporting income for each spouse separately and then allocating dependent exemptions and deduction as mutually agreed. Tax is computed on each spouse's separate taxable income and then the two amounts of tax are added together to determine their total tax.

Use Filing Status 2 instead of Filing Status 4 if only one spouse had income or if one spouse's income would be reduced to zero or less after claiming personal exemptions and the subtractions on Lines 37 - 44 of Form 760PY

Drake Software:

Below is Drake Software's computation results for both filing statuses based upon data input.

Virginia's Filing Status	Refund	Balance Due	Savings
Married Filing Jointly.	_____	_____	
Married Filing Separate Combined	_____	_____	
Comparison of savings			_____

Filing Status used: _____