

Spouse Tax Adjustment Worksheet

Be sure to enter the Virginia Adjusted Gross Income for your spouse on Line 17 of Form 760.

PART 1: SEPARATE YOUR INCOME AND EXEMPTIONS

1. Enter the portion of the Virginia Adjusted Gross Income (VAGI) on Line 9 of Form 760 that is related to each spouse Use the worksheet at the bottom of the page to compute the separate VAGI for each spouse.
2. Enter separate personal exemption amounts. Enter a 1 in the boxes that apply and multiply the total by \$800 Add \$930 to the total to compute the personal exemptions for you and spouse.

	65 or over	+	Blind	=	Total	x \$800 =	+ \$930 =	
You:								
Spouse:								

You	Spouse

3. Subtract Line 2 from Line 1. If either amount is 0 or less, stop here; you do not qualify for this credit

PART 2: CALCULATE YOUR TAX ADJUSTMENT

4. Enter the taxable income from Line 15 on Form 760
5. Enter the smaller amount from Line 3 above. **If this amount is larger than \$17,000 and Line 4 is larger than \$34,000, skip to Line 12 and enter \$259 as the credit**
6. Subtract Line 5 from Line 4 (if \$0 or less, enter \$0)
7. Divide the amount on Line 4 by 2
8. Enter the tax on the **smaller** amount from Line 5 or Line 7. Refer to the tax table or rate schedule
9. Enter the tax on the **larger** amount from Line 6 or Line 7. Refer to the tax table or rate schedule
10. Add Lines 8 and 9
11. Enter the tax from Line 16 on Form 760
12. **TAX ADJUSTMENT:** Subtract Line 10 from Line 11. Enter this amount on Line 17 of Form 760

The Spouse Tax Adjustment cannot exceed \$259

Worksheet for Determining Separate Virginia Adjusted Gross Income

STEP 1 – Determine Separate Federal Adjusted Gross Income

- | | You | Spouse |
|---|-----|--------|
| 1. Wages, salaries, etc..... | | |
| 2. Taxable interest and dividend income..... | | |
| 3. Taxable refunds, adjustments or offsets of state and local income tax..... | | |
| 4. Business income..... | | |
| 5. Capital gains/losses and other gains/losses..... | | |
| 6. Taxable pensions, annuities and IRA distributions..... | | |
| 7. Rents, royalties, partnerships, estates, trusts, etc. | | |
| 8. Other income (farm income, taxable social security, etc.) | | |
| 9. Gross income - add Lines 1 through 8..... | | |
| 10. Adjustments to gross income..... | | |
| 11. FAGI - subtract Line 10 from Line 9..... | | |

(The total of both columns should equal your joint FAGI reported on your 1040)

STEP 2 – Determine Separate Virginia Adjusted Gross Income

- | | | |
|---|--|--|
| 12. Total additions to FAGI (Form 760, Line 2)..... | | |
| 13. Subtotal - add Lines 11 and 12..... | | |
| 14. Age Deduction (Form 760, Line 4)..... | | |
| 15. Social Security Act and Tier 1 Railroad Retirement Act Benefits (Form 760, Line 5) | | |
| 16. State income tax refund or overpayment credit reported as income on your federal return (Form 760, Line 6)..... | | |
| 17. Other Subtractions (Form 760, Line 7) | | |
| 18. Total Subtractions from FAGI – add Lines 14, 15, 16, and 17 | | |
| 19. Subtract Line 18 from Line 13. These are your separate VAGI amounts to be used on Line 1 of the Spouse Tax Adjustment Worksheet | | |

(The total of both columns should equal your combined VAGI reported on Line 9 of your 760)

Be sure to enter your spouse's VAGI amount on Form 760, Line 17.