COMMONWEALTH OF VIRGINIA

THE LIBRARY OF VIRGINIA

RECORDS MANAGEMENT AND IMAGING SERVICES DIVISION
(Form RM-2 Aug 01)

RECORDS RETENTION AND DISPOSITION SCHEDULE
SPECIFIC SCHEDULE NO. 161-002
DEPARTMENT OF TAXATION
WAREHOUSE OPERATIONS

The schedule on the attached page(s) is approved with agreement to follow the records retention and disposition policies listed below:

AGENCY APPROVAL		STATE APPROVAL	
AGENCY HEAD OR DEPUTY	[illegible]	STATE RECORDS ADMINISTRATOR	Orley L. Edwards
AGENCY RECORDS OFFICER	Ronald P. Smutek	COMPTROLLER OR DEPUTY	

EFFECTIVE SCHEDULE DATE SEP 27 2005

POLICIES FOR RECORDS RETENTION AND DISPOSITION

1. This schedule is continuing authority under the provisions of the Virginia Public Records Act, §§ 42.1-76, et. seq. of the *Code of Virginia* for the retention and disposition of the records as stated on the attached page(s).
2. This schedule supersedes previously approved applicable schedules.
3. This schedule is used in conjunction with the *Certificate of Records Disposal* (Form RM-3). A signed RM-3 must be approved by the designated records officer and on file in the agency or locality before records can be destroyed. After the records are destroyed, the original signed RM-3 must be sent to Library of Virginia (LVA).
4. Any records created before the Constitution of 1902 came into effect (January 1, 1904) must be offered, in writing, to the LVA before applying these disposition instructions. Offered records can be destroyed 60 days after date of the offer if no response is received from the LVA. A copy of the offer must be attached to the RM-3 form when it is submitted to the LVA.
5. All known audits and audit discrepancies regarding the listed records must be settled before the records can be destroyed.
6. All known investigations or court cases involving the listed records must be resolved before the records can be destroyed. Knowledge of subpoenas, investigations or litigation that reasonably may involve the listed records suspends any disposal or reformatting processes until all issues are resolved.
7. The retentions and dispositions listed on the attached page(s) apply regardless of physical format, i.e., paper, microfilm, electronic storage, optical imaging, etc. Unless prohibited by law, records may be reformatted at agency or locality discretion. Microfilming must be done in accordance with §§ 17VAC15-20-10, et. seq. of the *Virginia Administrative Code,* "Standards for the Microfilming of Public Records for Archival Retention." All records must be accessible throughout their retention period in analog or digital format. Whether the required preservation is through prolongation of appropriate hardware and/or software, reformatting or migration, it is the obligation of the agency or locality to do so.
8. Custodians of records must insure that information in confidential or privacy protected records is protected from unauthorized disclosure through the ultimate destruction of the information. Normally, destruction of confidential or privacy-protected records will be done by shredding or pulping. "Deletion" of confidential or privacy-protected information in computer files or other electronic storage media is not acceptable. Electronic records must be "wiped" clean or the storage media physically destroyed.
9. Under the *Virginia Public Records Act*, (§ 42.1-79) the Library of Virginia is the official custodian and trustee of all state agency records transferred to the Archives, Library of Virginia. The Library may purge select records in accordance with professional archival practices in order to ensure efficient access.
10. Unless otherwise directed, files are closed out at the end of each calendar or fiscal year as appropriate. Retention periods start at that time.

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RECORDS SERIES AND DESCRIPTION	SERIES NUMBER	SCHEDULED RETENTION AND DISPOSITION
Audit Records: Business Audit Jackets This series consists of the audit support documentation from closed business tax audits, which are conducted by the field auditors or district offices. May include, but is not limited to, a Report of Field Audit (Form ST-48), audit comments that are signed by the field auditors and their supervisor, letter to audited business delivering the audit report, and other supporting documentation. These audits typically cover 2 to 5 year periods of time.	009042	Retain 7 years after audit is closed out, then destroy in compliance with No. 8 on schedule cover page.
Audit Records: Individual Virginia Income Tax Audits This series consists of individual Virginia income tax returns that have been selected as a result of a Federal audit or the Federal Compare program. Includes the individual Virginia tax return and supporting documentation, as well as a letter from Virginia Tax Compliance office notifying the taxpayer of a discrepancy between his/her state and federal return and an audit information worksheet.	009043	Retain 7 years after audit is closed out, then destroy in compliance with No. 8 on schedule cover page.
Combined Registration Application: Virginia Business Tax This series consists of the Combined Registration Application Form R-1, which all businesses operating in, or deriving income from Virginia must register to conduct business. It can be used to register for Sales and Use, Employer Withholding, Corporate Income, Litter, Consumer Use, or Tire taxes. Includes, but is not limited to, business name and address, FEIN number, principle business/activity in which engaged, type of ownership, location of records, personal data, and estimated aggregate VA income tax to be withheld.	009044	Retain 4 years, then destroy in compliance with No. 8 on schedule cover page.

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RECORDS SERIES AND DESCRIPTION	SERIES NUMBER	SCHEDULED RETENTION AND DISPOSITION
Estate of Decedents – Master Index Cards *Defunct series* This series consists of cross-index card for Paid or Non-Taxable Inheritance Tax Returns submitted by the State Clerks of the Court. After December 1, 1980, this series was superseded by series 009046, "Estate Tax Records". *Replaces Schedule 161-3, dated 7/5/1967*	009045	Due to the life expectancy of last tax inheritor, retain in agency until January 1, 2081. Destroy in compliance with No. 8 on schedule cover page.
Estate Tax Records This series documents the filing and payment of individual Virginia estate tax. Includes the original signed Virginia estate tax return (Form EST-80), a complete copy of the federal estate tax return (Form 706), and other supporting documentation.	009046	Retain for 20 years from Year of Death, then destroy in compliance with No. 8 on schedule cover page.
Federal/State Compare Program This series consists of State and Federal returns that are matched up and compared to ensure that they are identical and/or the individual is considered a non-filer. Includes discrepancy reports, correspondence, and if required, copies of invoices that have been sent to the individual.	009117	Retain 4 years or until listed in series 008007, "Income Tax Returns, Individual-Annual Purge Book", whichever is longer, then destroy in compliance with No. 8 on schedule cover page. Destroy all additional versions, regardless of media, in compliance with No. 8 on schedule cover page when no longer administratively necessary.
Income Tax Returns: Business This series documents the filing and payment of Virginia business income tax. Includes the original signed Virginia income tax return and any additional schedules and supporting documentation required to be filed. Selected returns for each year are audited.	009047	Retain 7 years unless audited, then retain 7 years after audit is closed out. Destroy in compliance with No. 8 on schedule cover page. **Note:** Each year's returns are reformatted to microfilm. Reel cannot be destroyed until 7 years after all audits done on those selected returns have been closed out.

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Inheritance Tax Records – Paid *Defunct series* This series documents the filing and payment of Virginia inheritance tax. After December 1, 1980, this series was superseded by series 009046, "Estate Tax Records". *Replaces Schedule 161-1 Revised, dated 7/1/1965*	009048	Due to the life expectancy of last tax inheritor, retain in agency until January 1, 2081. Destroy in compliance with No. 8 on schedule cover page.
Inheritance Tax Records – Non-Taxable Returns *Defunct series* This series is used in checking fiduciary income tax returns filed by personal representatives and trustees, and for checking future inheritance tax returns in the case of remainder interest. After December 1, 1980, this series was superseded by series 009046, "Estate Tax Records". *Replaces Schedule 161-2 Revised, dated 7/1/1965*	009049	Due to the life expectancy of last tax inheritor, retain in agency until January 1, 2081. Destroy in compliance with No. 8 on schedule cover page.
Real Property Identification Maps *Defunct Series* This series consists of county maps of real property for tax determination.	009050	Retain for 5 years, then destroy in compliance with No. 8 on schedule cover page.
Virginia/Federal Set-Off Debt Program - Treasury Offset Program (TOP) This series consists of invoices for payment of state income taxes owed by taxpayer to the Virginia Department of Taxation and the receipt of payment from the U.S. Treasury Department. Through a federal program, the Treasury Offset Program (TOP), the U.S. Treasury will reduce or withhold any of the eligible Federal Tax refund by the amount of the debt and refund the money back to the state.	009118	Retain 3 years after complete debt has been satisfied, then destroy in compliance with No. 8 on schedule cover page.