

VIRGINIA RENTAL TAX BAD DEBT REPORT

RT 427 (03/02)

INSTRUCTIONS

Copies Of Rental Contracts Must Be Attached

All debts claimed on this report must qualify for federal tax write off.

Use the following instructions to complete Sections A and B of the report.

Section A - TAXPAYER INFORMATION

Company Name -- Enter the name of your company as it appears on your Virginia Rental Tax Certificate.

Rental Tax Certificate Number -- Enter the number of your Virginia Rental Tax Certificate.

Report Month/Year -- Enter the report month and year that the bad-debt write off is being claimed.

Section B - DEBT INFORMATION

1. Month and Year -- Enter the report month and year in which you paid the rental tax to DMV.
2. Rental Contract Number -- Enter the number of the contract.
3. Customer's Name -- Enter the name of the customer as it appears on the contract.
4. Gross Proceeds -- Enter the total charges made for the vehicle rental **excluding** the rental tax.
5. Deposit Amount -- Enter the amount of any deposit that the customer paid. Enter zero (0) if no deposit was paid.
6. Bad Debt Credit -- Enter the result of the following calculation:
Column 4 minus Column 5
7. Federal Tax Write Off Reason -- Provide the reason that the debt qualifies to be written off of your federal taxes.

Attach this report to your monthly rental tax return.