
VIRGINIA STATE BUDGET

1996 Session

Budget Bill - SB30 (Introduced)

Bill Order » Office of Finance » Item 278

Department of Taxation

Item 278

First Year - FY1997

Second Year - FY1998

Federal Retiree Tax Reserve (73100)

\$62,431,446

\$62,262,670

Fund Sources:

General

\$62,431,446

\$62,262,670

Authority: Chapter 5, 1994 Special Session I, Acts of Assembly, Chapters 47, 185, and 203, 1995 Acts of Assembly.

1. Notwithstanding any other provision of law, on or before July 31, 1996 and July 31, 1997 respectively, the State Comptroller shall make the following payments from this appropriation:

a. \$61,190,095 the first year and \$61,190,095 the second year into the Federal Retiree Tax Reserve I created pursuant to Enactment No. 2, §§ 1.B. and 3.B. of Chapter 5 of the 1994 Acts of Assembly, Special Session I, less an amount estimated at \$71,185 the first year and \$71,185 the second year, attributable to taxpayers who waived payments pursuant to Enactment No. 2, § 1.F.2 and F.3, of the cited Chapter. The amount of this payment is in accordance with Paragraph 4 of this item.

b. \$1,241,351 the first year and \$1,072,575 the second year into the Federal Retiree Tax Reserve II created pursuant to Enactment No. 1, § 1.3., of Chapters 185 and 203 of the 1995 Acts of Assembly.

2. It is the intent of the General Assembly that all funds necessary to make the required payments be from revenues collected during the fiscal years 1997 and 1998 respectively. However, earnings on investments of the reserves shall be credited to the reserves as if the payments had been made on July 1 each year.

3. All earnings on investment of the reserves shall be held in the reserves and reinvested until the final payments to taxpayers are made on March 31, 1999. Earnings on the reserves shall be calculated as provided by the cited Chapter 5.

4. It is hereby acknowledged that the special litigation reserve fund established by Chapter 47 of the 1995 Acts of Assembly is rendered unnecessary by the decision of the Supreme Court of Virginia on September 15, 1995, in the case of *Harper et al. vs Virginia Department of Taxation*. The above appropriation for the Federal Retiree Tax Reserve I therefore excludes \$8,809,905 each year from the sum of \$70,000,000 specified in Enactment No. 1, §§ 1.B. and 3.B. of the cited Chapter 5. Such amount reflects the claims of taxpayers opting out of the settlement which would have been deposited into the special litigation reserve fund had such litigation not been resolved. Authority is provided in § 3-1.01GG of HB 29/SB 29 of the 1996 Session for transfer of the special litigation reserve fund to the general fund.