
VIRGINIA STATE BUDGET

2001 Special Session I

Budget Bill - HB3 (Introduced)

Bill Order » Office of Finance » Item 281

Department of Taxation

Item 281	First Year - FY2001	Second Year - FY2002
Revenue Administration Services (73200)	\$46,090,008	\$45,687,658 \$46,037,658
Administrative Processing (73201)	\$7,624,526	\$7,625,654
Revenue Law and Fee Compliance (73203)	\$38,465,482	\$38,062,004 \$38,412,004
Fund Sources:		
General	\$39,782,148	\$39,379,312 \$39,729,312
Special	\$6,196,912	\$6,197,340
Trust and Agency	\$100,948	\$101,006
Dedicated Special Revenue	\$10,000	\$10,000

Authority: Title 3.1, Chapters 25.3 and 27; Title 58.1, Code of Virginia.

A. The Department is hereby authorized to recover from the Transportation Trust Fund the necessary start-up costs associated with the implementation of a local income tax. The Department shall not incur such costs unless a locality(ies) takes action to put the local income tax option on a referendum. The Transportation Trust Fund shall be reimbursed for these costs from the local income tax revenues.

B. Pursuant to Chapters 391 and 362 of the 1996 Acts of Assembly, the Tax Commissioner is hereby authorized to contract with private collection agencies for the collection of delinquent accounts. The State Comptroller is hereby authorized to deposit collections from such agencies into the Contract Collector Fund, from which the private collection agencies shall be paid. Any balance in the fund remaining after such payment shall be deposited into the appropriate general, nongeneral, or local fund no later than June 30 of each year.

C. There is hereby appropriated, for each year of the biennium, revenues from the sales tax on fuel in certain transportation districts to cover only the direct cost of administration incurred by the Department in collecting this tax as provided by § 58.1-1724, Code of Virginia.

D.1. The Department of Taxation is authorized to retain, as special revenue, its reasonable share of any court fines and fees to reimburse the Department for any ongoing operational collection expenses.

2. Any form of state debt assigned to the Department of Taxation for collection may be collected by the Department in the same manner and means as state taxes may be collected pursuant to Title 58.1, Chapter 18, Code of Virginia.

E. The Tax Commissioner shall conduct a one-year pilot program, starting no later than September 1, 2000, with a limited selection of Commonwealth's Attorneys, and any attorneys licensed to practice law in Virginia with whom

the selected Commonwealth's Attorney has contracted for the collection of unpaid fines and costs pursuant to Virginia Code § 19.2-349, to collect unpaid fines and court costs in the same manner and means as provided to the Department of Taxation in § 58.1-1804 for the collection of these fines and court costs. The remedies available under § 58.1-1804 shall be in addition to any civil judgement collection remedies available under the Code of Virginia or Virginia common law. The Commissioner shall select up to four Commonwealth's Attorneys, each representing different regions of the Commonwealth, to participate in the pilot, based on criteria selected by the Commissioner, including expressed interest in participation. The State Compensation Board shall monitor the pilot program and upon the pilot program's expiration shall include, in its annual report to the General Assembly on the collection of court ordered fines and fees for Clerks of the Courts and Commonwealth's Attorneys, the amount of unpaid fines and costs collected by the pilot program.

F. The Department of Taxation shall provide support to the General Assembly prior to the 2001 General Assembly in its work regarding tax exemptions, credits, and policy. In addition, the Department of Taxation shall develop a financial plan for the long-term compliance, auditing, research, and policy functions required regarding tax exemptions and credits.

G.1. The Department shall establish an audit unit that will identify those individuals who have received personal property tax relief for vehicles that do not meet the "Used for nonbusiness purposes" criteria as defined in § 58.1-3523 of the Code of Virginia. The Department of Motor Vehicles, the Department of Accounts and all local Treasurers, Commissioners of the Revenue and Directors of Finance, or officials acting in that capacity, shall cooperate with the Department and shall provide all information and assistance necessary, upon request, to fulfill this responsibility.

2. The Department shall develop a Uniform Personal Property Tax Relief Qualification Certificate for the use of local assessment officials who shall incorporate such certificate in every return of tangible personal property tax due to be filed on or after January 1, 2002. Such certificate shall be designed to allow a taxpayer to attest to the qualification for reduced assessment of each motor vehicle owned by such taxpayer, both for the current tangible personal property assessment year, and for the immediately prior year. Failure by a taxpayer to return an executed certificate with the return of tangible personal property shall disqualify the subject motor vehicle(s) for tax relief for both years for which certification is required. The personal property records of any locality may be audited by the Department for the purpose of ascertaining the level of compliance with this provision.

3. Local Treasurers, Commissioners of the Revenue and Directors of Finance also shall include with personal property tax bills a prominent and clear notice of a) the limitation in the personal property tax relief program on the use of personal vehicles for business purposes, and b) the statutory conditions under which the personal property tax relief program will not be advanced to the next level. The Department of Motor Vehicles shall include such notices with all motor vehicle registrations or renewals.

4. Local Treasurers, Commissioners of the Revenue and Directors of Finance shall not bill the state for personal property tax on any vehicle(s) that lacks the duly executed certificate filed with the return of tangible personal property. Local Treasurers, Commissioners of the Revenue and Directors of Finance shall notify the State Comptroller of the dollar amount that the state paid in the immediately prior year for any vehicle that is not certified for tax relief, said amount representing an overpayment by the state, and the State Comptroller shall withhold that amount from subsequent payments to the local treasurer for personal property tax relief. Localities may re-bill responsible taxpayers for the amounts of overpayment that have been withheld by the state.

5. In addition, the Department shall develop and assist local assessment officials with the implementation of data matching programs designed to aid in the identification of individuals who improperly receive the benefit of reduced assessments of motor vehicles. Data sources which should be considered for these programs shall include, but need not be limited to, local business licensing records, Department of Motor Vehicle records, employer travel expense records, and the most recent tax year business expense data submitted by Virginia taxpayers with their Virginia tax returns.

6. Personal property tax payments to any county, city or town whose Treasurer, Commissioner of the Revenue, Director of Finance, or officials acting in that capacity, fail to reasonably cooperate in the implementation of the audit program established by this item shall have personal property tax relief payments withheld until such time as the Tax Commissioner certifies that cooperation has been obtained.

7. The Department shall report to the Chairmen of the Senate Finance and House Appropriations Committees by November 1st of each year on total overpayments by the state that have been identified for the prior calendar year.