
VIRGINIA STATE BUDGET

2002 Session

Budget Bill - HB29 (Chapter 814)

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 \$46,664,058
Administrative Processing (73201)	\$7,624,526	\$7,625,654
Revenue Law and Fee Compliance (73203)	\$38,465,482	\$38,062,004 \$38,836,004
Tobacco Master Settlement Agreement Enforcement (73209)	\$0	\$202,400
Fund Sources:		
General	\$39,782,148	\$39,379,312 \$39,581,712
Special	\$6,196,912	\$6,197,340 \$6,971,340
Trust and Agency	\$100,948	\$101,006
Dedicated Special Revenue	\$10,000	\$10,000

Authority: Title 3.1, Chapters 18, 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~~ § 58.1-1803, Code of Virginia, 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.

3. From the cash balance in the Court Debt Collection Program Fund, the Tax Commissioner is authorized to expend up to \$375,000 the second year to fund the administrative costs of implementing proposed legislation to accelerate the collection of the sales and use tax.

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. Pursuant to § 3.1-336.2, Code of Virginia, the Department of Taxation shall diligently enforce the non-participating manufacturer statute of the 1998 Tobacco Master Settlement Agreement. Towards this effort, the department shall aggressively track manufacturers, audit records, pursue leads for potential criminal action, and provide accurate and reliable data to the Office of the Attorney General to pursue appropriate legal action. The general fund shall be reimbursed on a proportional basis from the Tobacco Indemnification and Community Revitalization Fund and the Tobacco Settlement Fund for costs associated with enforcement of the Master Settlement Agreement pursuant to transfers directed by Item 545 paragraphs A.2. and B.2. and § 3-1.01, paragraphs AA and BB of this act.

H.1. Notwithstanding Chapter 35.1, Title 58.1, Code of Virginia, and in accordance with § 58.1-202, Code of Virginia, it is the intent of the General Assembly that the administration and execution of the Personal Property Tax Relief Act shall be conducted by the Department of Taxation beginning no later than January 1, 2004. The Department of Taxation and the Department of Motor Vehicles shall begin to develop a migration plan that will transfer the administration of the Act, including any changes necessary in the Code of Virginia to facilitate the transfer. The Director of the Department of Planning and Budget shall transfer the required positions and funding to effectuate this purpose.

2. The Commissioner shall establish a Personal Property Tax Relief Compliance Task Force composed of representatives of the Department of Motor Vehicles, the Department of Accounts, the Auditor of Public Accounts, local governments, local Treasurers, Commissioners of the Revenue, and Directors of Finance. The Task Force shall work with the Commissioner to design a program that will increase taxpayer compliance with Title 58.1, Chapter 35.1, Code of Virginia. The Task Force shall complete its work no later than September 1, 2002 and the Commissioner shall consider its work in the development of an audit unit.