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# VIRGINIA STATE BUDGET

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2002 Session

## Budget Bill - HB29 (Chapter 814)

Bill Order » Part 3: Miscellaneous » Item 3-5.01

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### Item 3-5.01

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#### § 3-5.01 ACCELERATED SALES AND USE TAX COLLECTIONS

1. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by § 58.1-612, Code of Virginia, or direct payment permit holder pursuant to § 58.1-624, Code of Virginia, with taxable sales and purchases of \$1,300,000 or greater for the period July 1, 2000, to June 30, 2001, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2001 as the estimated amount of sales and use tax liability for the month of June 2002. Such tax payments shall be made on or before the 30th day of June 2002, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2002. Payments under this paragraph shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue except with respect to those revenues required to be distributed under provisions of §§ 58.1-605 and 58.1-606, Code of Virginia. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2002 return due July 20, 2002. The State Comptroller shall make no distribution of the collections in accordance with § 58.1-638, Code of Virginia, until the provisions of paragraph 3 are met. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.
2. In lieu of the penalties provided in § 58.1-635, Code of Virginia, except with respect to fraudulent returns, failure to make a timely payment or full payment of the sales and use tax liability as provided in paragraph 1 above shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of the tax underpayment that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in § 58.1-15, Code of Virginia. The payment required by paragraph 1 above shall become delinquent on the first day following the due date set forth in paragraph 1, if not paid.
3. If the Governor determines on July 31, 2002, that funds are available to transfer such collections in accordance with § 58.1-638, Code of Virginia, he shall direct the State Comptroller to make such allocation. The Governor will report his determination to the Chairmen of the House Appropriations and Senate Finance Committees on August 15, 2002.
4. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in fiscal year 2006. The payment amount for June 2006 should be reduced to 85 percent of the sales and purchases for the previous June and the payment amount should continue to be reduced until fully eliminated not later than June 2012.