
VIRGINIA STATE BUDGET

2002 Session

Budget Bill - SB29 (Introduced)

Bill Order » Office of Finance » Item 281

Department of Taxation

Item 281 (Not set out)	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 \$774,000 the second year to fund the administrative costs of implementing proposed legislation to accelerate the collection of the sales and use tax and withholding 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 the provisions of § 58.1-615, Code of Virginia, every dealer as defined by § 58.1-612, Code of Virginia, shall be required to make a payment equal to the sales and use tax liability for the month of May as the estimated amount of sales and use tax liability for the month of June in accordance with procedures established by the Tax Commissioner. Such tax payment shall be made on or before the twenty-fifth day of June 2002. Every dealer shall be entitled to a credit for the payment under this paragraph on the return due July 20, 2002.

2. Failure to make a timely payment or full payment on the sales and use tax liability as provided in paragraph H.1. above shall subject the dealer to an additional penalty of thirty percent of the amount of tax that should have been properly paid to the Tax Commissioner. The payment required by paragraph H.1. above shall become delinquent on the twenty-sixth day of June if not paid.

I.1. Notwithstanding the provisions of § 58.1-472, Code of Virginia, every employer who is required to deduct and withhold taxes from an employee's wages, and whose average monthly liability can reasonably be expected to be \$1,000 or more and the aggregate amount required to be withheld by any employer exceeds \$500, shall be required to make a payment equal to the estimated withholding tax liability for the last filing period of the month ending June 30, 2002. Such payment shall be made on or before the twenty-fifth day of June 2002 in accordance with procedures established by the Tax Commissioner. Any employer making payment under this paragraph will be deemed to have met the requirements hereof if at least ninety percent of the withholding tax liability for such period is paid. Every employer shall be entitled to a credit for the payment under this paragraph on the return due July 31, 2002.

2. Failure to make a timely payment or failure to pay at least ninety percent of the withholding tax liability as provided in paragraph I.1. above shall subject the employer to an additional penalty of thirty percent of the amount of tax that should have been properly paid to the Tax Commissioner. The payment required by paragraph I.1. above shall become delinquent on the twenty-sixth day of June if not paid.