
VIRGINIA STATE BUDGET

2002 Session

Budget Bill - SB30 (Introduced)

Bill Order » Office of Finance » Item 285

Department of Taxation

Item 285	First Year - FY2003	Second Year - FY2004
Revenue Administration Services (73200)	\$44,878,284	\$44,878,284
Administrative Processing (73201)	\$6,962,063	\$6,962,063
Revenue Law and Fee Compliance (73203)	\$37,634,321	\$37,634,321
Tobacco Master Settlement Agreement Enforcement (73209)	\$281,900	\$281,900
Fund Sources:		
General	\$38,549,078	\$38,549,078
Special	\$6,218,200	\$6,218,200
Trust and Agency	\$101,006	\$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 § 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 (§ 58.1-1803, Code of Virginia), 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. 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 Virginia Tobacco Settlement Fund for costs associated with enforcement of the Master Settlement Agreement pursuant to transfers directed by Item 509 paragraphs A.2. and B.2. and § 3-1.01, paragraphs Y.1. and Y.2. of this act.

F.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 payments shall be made on or before the twenty-fifth day of June 2003 and June 2004, respectively. Every dealer shall be entitled to a credit for the payments under this paragraph on the return due July 20, 2003 and 2004.

2. Failure to make timely payments or full payments on the sales and use tax liability as provided in paragraph F.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 payments required by paragraph F.1. above shall become delinquent on the twenty-sixth day of June if not paid.

G.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 months ending June 30, 2003, and June 30, 2004. Such payments shall be made on or before the twenty-fifth day of June 2003 and 2004, respectively, in accordance with procedures established by the Tax Commissioner. Any employer making payments 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 payments under this paragraph on the return due July 31, 2003 and 2004.

2. Failure to make timely payments or failure to pay at least ninety percent of the withholding tax liability as provided in paragraph G.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 payments required by paragraph G.1. above shall become delinquent on the twenty-sixth day of June if not paid.