2003 Session

Budget Bill - SB700 (Introduced)

Item 3-5.01

§ 3-5.01 ACCELERATED SALES AND USE TAX COLLECTIONS

1. Notwithstanding the provisions of § 58.1-615, Code of Virginia, any 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, 2001, to June 30, 2002, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2002 as the estimated amount of sales and use tax liability for the month of June 2003. Such tax payments shall be made on or before the 30th day of June 2003, 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 2003. 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 2003 return due July 20, 2003. The State Comptroller shall make no distribution of the collections in accordance with § 58.1-638 until the provisions of subparagraph 4 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. Notwithstanding the provisions of § 58.1-615, Code of Virginia, any 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, 2002, to June 30, 2003, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2003 as the estimated amount of sales and use tax liability for the month of June 2004. Such tax payments shall be made on or before the 30th day of June, 2004, 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, 2004. 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 2004 return due July 20, 2004. The State Comptroller shall make no distribution of the collections in accordance with § 58.1-638 until the provisions of subparagraph 4 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.

3. 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 on the sales and use tax liability as provided in paragraphs 1 and 2 above shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of 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 paragraphs 1 and 2 above shall become delinquent on the first day following the due date set forth in paragraphs 1 and 2 if not paid.

~~4. If the Governor determines by July 31 of each year that funds are available to transfer such collections in accordance with § 58.1-638, he shall direct the State Comptroller to make such distribution. The Governor will report his *such* determination to the Chairmen of the Senate Finance, House Finance and House Appropriations Committees on *in* August 1 of each year.~~

~~5. 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. Effective July 1, 2004, the distribution of the collections in accordance with § 58.1-638, Code of Virginia, shall no longer be governed by paragraph 2.~~