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# VIRGINIA STATE BUDGET

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2006 Special Session I

## Budget Bill - HB5002 (Introduced)

Bill Order » Office of Finance » Item 265

Department of Taxation

Item 265	First Year - FY2007	Second Year - FY2008
<b>Revenue Administration Services (73200)</b>	<b>\$54,975,009</b>	<b>\$54,970,435</b>
Tobacco Master Settlement Agreement Enforcement (73209)	\$19,078	\$19,078
Tax Return Processing (73214)	\$11,534,386	\$11,534,386
Customer Services (73217)	\$9,252,281	\$9,263,042
Compliance Audit (73218)	\$16,907,844	\$16,892,509
Compliance Collections (73219)	\$17,261,420	\$17,261,420
Fund Sources:		
General	\$46,313,266	\$46,308,692
Special	\$8,513,193	\$8,513,193
Trust and Agency	\$135,588	\$135,588
Dedicated Special Revenue	\$12,962	\$12,962

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Authority: Title 3.1, Chapters 18, 25.3 and 27; Title 58.1, Code of Virginia.

A. 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). Revenue in the Contract Collector Fund may be used to pay private collection agencies/attorneys and perform oversight of their operations, upgrade collection systems and data interfaces, and retain experts to perform analysis of receivables and collection techniques. 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.

B. 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.

C.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.

D. The Department of Taxation is authorized to make tax incentive payments to small tobacco product

manufacturers who do not participate in the 1998 Tobacco Master Settlement Agreement, pursuant to Chapter 901 of the 2005 Acts of Assembly.

E. The Department of Taxation shall study the feasibility of requiring a certification that all tax obligations are paid prior to the issuance of or the renewal of a state license or permit. Specifically, the department shall examine the effectiveness of various alternatives for implementing this certification, including (i) requiring the applicant to certify that all tax obligations are paid and authorizing the certifying agency to verify that certification with the Department of Taxation, (ii) requiring the applicant to obtain a tax clearance letter from the Department of Taxation, and (iii) allowing the Department of Taxation to obtain licensing information from certifying agencies and to maintain such information until a delinquency occurs, at which time the department may notify the certifying agency of such delinquency. All other agencies of the Commonwealth, particularly the Department of Professional and Occupational Regulation and the Department of Health Professions, shall provide the names of licensees, the date of licensure, the length of time that the license continues, the date of license renewal, and any other information or assistance to the Department of Taxation for this study, upon request. A report shall be made to the Governor and the General Assembly for consideration by the 2007 Session of the General Assembly.