2012 Special Session I

Budget Bill - HB1300 (Introduced)

Bill Order » Office of Finance » Item 262

Department of Taxation

Item 262	First Year - FY2011	Second Year - FY2012
Revenue Administration Services (73200)	**$127,565,990**	~~**$127,819,147**~~ ***$128,180,267***
Tax Return Processing (73214)	$10,750,630	$10,060,454
Customer Services (73217)	$10,648,154	~~$10,591,487~~ *$10,952,607*
Compliance Audit (73218)	$80,351,434	$81,351,434
Compliance Collections (73219)	$25,815,772	$25,815,772
Fund Sources:		
General	$49,462,586	~~$48,715,743~~ *$49,076,863*
Special	$16,437,985	$16,437,985
Trust and Agency	$652,457	$652,457
Dedicated Special Revenue	$61,012,962	$62,012,962

Authority: Title 3.2; 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 audit and 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 these taxes 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 is hereby appropriated revenues from the Communications Sales and Use Tax Trust Fund to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-662, Code of Virginia.

F. The Tax Commissioner shall have the authority to waive penalties and grant extensions of time to file a return or pay a tax, or both, to any class of taxpayers when the Tax Commissioner in his discretion finds that the normal due date has, or would, cause undue hardship to taxpayers who were, or would be, unable to use electronic means to file a return or pay a tax because of a power or systems failure that causes the department's electronic filing or payment systems to be nonfunctional for all or a portion of a day on or about the due date for a return or payment.

G. The Department of Taxation is hereby appropriated Land Conservation Incentive Act fees imposed under § 58.1-513 C. 2., Code of Virginia, on the transferring of the value of the donated interest. The Code of Virginia specifies such fees will be used by the Departments of Taxation and Conservation and Recreation to recover the direct cost of administration incurred in implementing the Virginia Land Conservation Act.

H. In the event that the United States Congress adopts legislation allowing local governments, with the assistance of the Commonwealth, to collect delinquent local taxes using offsets from federal income taxes, the Department of Accounts shall provide a treasury loan to the Department of Taxation to finance the costs of modifying the agency's computer systems to implement this federal debt setoff program. This treasury loan shall be repaid from the proceeds collected from the offsets of federal income taxes collected on behalf of localities by the Department of Taxation.

I. There is hereby appropriated for payment to the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission a sum sufficient amount of nongeneral fund revenues estimated at $61,000,000 in the first year and $62,000,000 in the second year equal to the revenues collected pursuant to § 58.1-1720 et seq., Code of Virginia, from the additional sales tax on fuel in certain transportation districts under § 58.1-1720 et seq., Code of Virginia. Such funds shall be returned to the respective commissions in amounts equivalent to the shares collected in the respective member jurisdictions.

J. 1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $460,000,000 in the first year and $460,000,000 in the second year equal to the revenues collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax. All revenue received by the Commonwealth pursuant to the provisions of § 58.1-645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § 58.1-662, Code of Virginia and Item 279 of this act. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

2. It is the intent of the General Assembly that all such revenues be distributed to counties, cities, and towns, the Department for the Deaf and Hard-of-Hearing, and for the costs of administering the Virginia Communications Sales and Use Tax.

K. Notwithstanding the provisions of § 58.1-478, Code of Virginia, effective July 1, 2011, every employer 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 file the annual report required by § 58.1-478, Code of Virginia, and all forms required by § 58.1-472, Code of Virginia, using an electronic medium using a format prescribed by the Tax Commissioner. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the employer. All requests for waiver shall be submitted to the Tax Commissioner in writing.

L. Notwithstanding the provisions of § 58.1-214, Code of Virginia, the department shall not be required to mail its forms and instructions unless requested by a taxpayer or his representative.

M. The Virginia Department of Taxation shall accept a fillable form through the Virginia Free File Program to allow residents of the Commonwealth of Virginia to submit their state income tax returns to the Department of Taxation. The fillable form program shall be available before, but no later than, December 31, 2011. The Virginia Department of Taxation shall provide a report to the Chairmen of the House Appropriations and Senate Finance Committees no later than September 1, 2011, on the status of implementing the fillable form program.