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# VIRGINIA STATE BUDGET

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2018 Special Session I

## Budget Bill - HB5002 (Chapter 2)

Bill Order » Office of Finance » Item 272

Department of Taxation

Item 272	First Year - FY2019	Second Year - FY2020
<b>Planning, Budgeting, and Evaluation Services (71500)</b>	<b>\$3,831,391</b>	<b>\$3,831,391</b>
Tax Policy Research and Analysis (71507)	\$1,954,381	\$1,954,381
Appeals and Rulings (71508)	\$1,160,286	\$1,160,286
Revenue Forecasting (71509)	\$716,724	\$716,724
Fund Sources:		
General	\$3,831,391	\$3,831,391

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Authority: §§ [2.2-1503](#), [15.2-2502](#), [58.1-202](#), [58.1-207](#), [58.1-210](#), [58.1-213](#), [58.1-816](#), and [58.1-3406](#), and Title 10.1, Chapter 14, Code of Virginia.

A. The Department of Taxation shall continue the staffing and responsibility for the revenue forecasting of the Commonwealth Transportation Funds, including the Department of Motor Vehicles Special Fund, as provided in § [2.2-1503](#), Code of Virginia. The Department of Motor Vehicles shall provide the Department of Taxation with direct access to all data records and systems required to perform this function. The Department of Planning and Budget shall effectuate the transfer of three full-time equivalent positions and sufficient funding to ensure the successful consolidation of this function.

B. Notwithstanding the provisions of § [58.1-202.2](#), Code of Virginia, no report on public-private partnership contracts shall be required in years following the final report upon the completion of contract or when no such contract is active.

C. The Department of Taxation shall report no later than September 1 on an annual basis, to the Chairmen of the House Appropriations, House Finance and Senate Finance Committees, on the amount of state sales and use tax revenues authorized to be remitted for the preceding fiscal year under the provisions of § [58.1-608.3](#), § [58.1-3851.1](#), and § [58.1-3851.2](#), of the Code of Virginia, as amended by the 2015 General Assembly.

D. The Department of Taxation shall convene a workgroup to examine the provisions related to the timing of payments and return filings required of registered dealers pursuant to §§ [58.1-615](#) and [58.1-616](#), Code of Virginia, and § 3-5.06 of this act. The workgroup shall establish costs and a timeline for the Department of Taxation to implement an easy online application provided by the Department of Taxation for dealers to apply for the hardship exception and determine whether the current hardship definition is adequate or could be expanded to include additional hardship scenarios. The workgroup should make recommendations to the Department of Taxation about providing earlier notice to dealers of accelerated sales tax payments, the equity in assessing monthly 6 percent late payment penalty fees, how the state would be impacted by options to phase-out the accelerated sales tax by fiscal year 2022, and the ability of the General Assembly to lower the accelerated sales tax threshold by more than 10% in one year when threshold is at \$15,000,000 of annual taxable sales or less. The workgroup shall consider alternatives and limitations to the current accelerated sales tax requirement and shall examine other sales tax-related issues, including bi-monthly remittance of sales taxes as an alternative. The workgroup shall include the

staffs of the House Appropriations and Senate Finance Committees, the Secretary of Finance or his designee, the Office of the Governor and representatives from affected businesses and industries. Additional staff support shall be provided by the Department of Taxation and the Division of Legislative Services upon request. The workgroup shall begin meetings in the month of May and meet no less than three times and complete its meetings by November 30, 2018, and shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees and all members of the House Appropriations and Senate Finance Committees a report of its findings and recommendations no later than the first day of the 2019 Regular Session of the General Assembly.