2026 Special Session I

Budget Bill - HB30 (Chapter 1)

Bill Order » Office of Finance » Item 263

Department of Taxation

Item 263	First Year - FY2027	Second Year - FY2028
Administrative and Support Services (79900)	**$62,747,117**	**$62,527,117**
General Management and Direction (79901)	$29,403,836	$29,403,836
Information Technology Services (79902)	$33,343,281	$33,123,281
Fund Sources:		
General	$62,593,663	$62,373,663
Special	$153,454	$153,454

Authority: §§ 58.1-200, 58.1-202, and 58.1-213, Code of Virginia.

A. To defray the costs of administration for voluntary contributions made on individual income tax returns for taxable years beginning on or after January 1, 2003, the Department of Taxation may retain up to five percent of the contributions made to each organization, not to exceed a total of $50,000 from all organizations in any taxable year.

B. Notwithstanding the provisions of §§ 2.2-507 and 2.2-510, when the Tax Commissioner determines that an issue may have a major impact on tax policies, revenues or expenditures, he may request that the Attorney General appoint special counsel to render such assistance or representation as needed. The compensation for such special counsel shall be paid out of the funds appropriated for the administration of the Department of Taxation.

C. The Department of Taxation is required to provide, at the beginning of an audit, detailed information on the audit process and tax policies that are being examined. Furthermore, the Department shall compile and make available on their website a list of common issues which are identified in a large number of audits.

D.1. There is hereby established in the state treasury a special nonreverting fund known as the Project Lighthouse Fund. Any moneys remaining in the Fund, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purpose of providing for costs associated with the replacement of the Department of Taxation's (TAX) Integrated Revenue Management System (IRMS).

2. A workgroup consisting of the Secretary of Finance or his designee, staff from the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and the Chief Information Officer of the Commonwealth, shall provide periodic oversight of the implementation of the IRMS modernization project. The workgroup shall submit an annual executive summary of the interim activity of the project implementation to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year until implementation of a new system is complete.

3. The Department of Taxation shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year until implementation of the new system is complete. Such report shall include an executive summary of the interim activity of the project implementation,

including information regarding the current status of project, the funding expended in the prior fiscal year, project milestones achieved in the prior fiscal year, and any potential concerns that may impact the project's timeline and success.