2026 Special Session I

Budget Bill - HB30 (Chapter 1)

Item 467

First Year - FY2027 Second Year - FY2028

Revenue Administration Services (73200) **sum sufficient**

Fund Sources:

Authority: Discretionary Inclusion.

A. There is hereby appropriated from the affected funds in the state treasury, for refunds of taxes and fees, and the interest thereon, in accordance with law, a sum sufficient.

B. There is hereby established a special fund in the state treasury to be known as the Refund Suspense Fund, hereinafter referred to as the Fund. The Tax Commissioner is hereby authorized to contract with nongovernmental entities for review of requests for refunds of taxes to enhance, expand and/or modify the administration of the refund review program, and to perform analysis of refund processing techniques. The amount of any refund identified by the nongovernmental entity as potentially erroneous shall be deposited to the Fund pending review of the refund request. Amounts in the Fund may be used to pay refunds subsequently determined to be valid, to pay the contracted nongovernmental entity for its services, to perform oversight of their operations, to upgrade necessary refund processing systems and data interfaces to facilitate the contractor's work, to offset any administrative or other costs related to any contracts authorized under this provision, and to retain experts to perform analysis of refund processing techniques. Any balance in the fund remaining after such payments, or provision therefore, shall be deposited into the appropriate general, nongeneral, or local fund.

C. There is hereby appropriated from the affected funds in the state treasury for, (1) refunds of previously paid taxes imposed by the Commonwealth at 100 percent of face value up to the amount of the coalfield employment enhancement tax credit authorized by § 58.1-439.2, Code of Virginia, (2) refunds of any remaining credit at 90 percent of face value for credits earned in taxable years beginning before January 1, 2002, and 85 percent of face value for credits earned in taxable years beginning on and after January 1, 2002, and (3) payment of the remaining 10 or 15 percent credit to the Coalfields Economic Development Authority, a sum sufficient.