

House Bill 1368: Work Group

David Sams & Anna Dunkum
Office of Tax Policy

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- ▶ Introductions
- ▶ House Bill 1368 Statement of Purpose
- ▶ Review of Current Mechanisms for Practitioner Feedback
- ▶ Other Online Resources
- ▶ Practitioner Input
- ▶ Next Steps

- ▶ **Craig Burns**, Tax Commissioner
- ▶ **Kristin Collins**, Assistant Commissioner of Tax Policy
- ▶ **David Sams**, Director of Tax Policy Development
- ▶ **Joseph Mayer**, Lead Tax Policy Analyst (Sales & Local Tax)
- ▶ **James Savage**, Lead Tax Policy Analyst (Income Tax)
- ▶ **Anna Dunkum**, Tax Policy Analyst
- ▶ **Heather Cooper**, Director of Communications & Training

The Department shall convene a work group to study the Department's current policies and procedures in order to determine options for a mechanism for tax practitioners to provide feedback to the Department on an ongoing basis. Among such options, the work group shall consider the scope, feasibility, and function of an ongoing commission or similar structure to provide regular feedback to the Department.

- ▶ What mechanisms are currently in place for practitioners to provide feedback to the Department?

1. Virginia Regulatory Town Hall

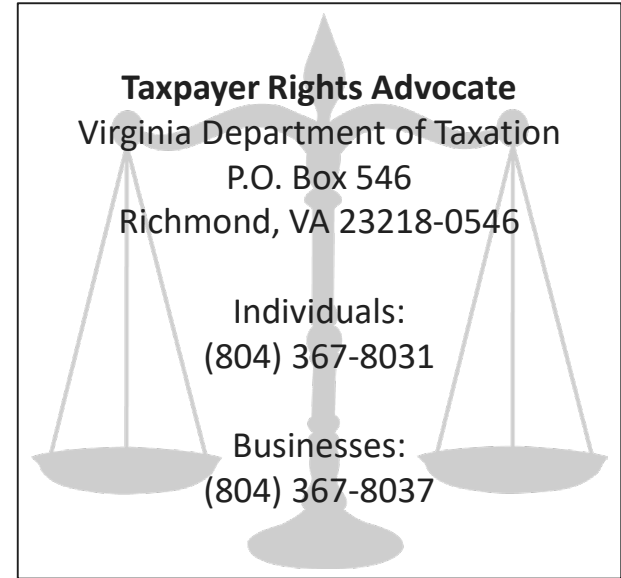
- ▶ Maintained by the Department of Planning & Budget (DPB) for all state agencies.
- ▶ Contains copies of guidance documents.
- ▶ Provides a forum for public comment to allow Virginia citizens a voice in making and changing state regulations.



2. Taxpayer Advocate

Helps taxpayers resolve problems and complaints that they have been unable to resolve through normal administrative processes.

A detailed description of the problem and a telephone number where you can be reached is required.



3. Laws, Rules and Decisions

Laws, Rules, & Decisions (LRD) is a library maintained by Virginia Tax to provide access to policy documents including:

- ▶ Appeals determinations;
- ▶ Rulings;
- ▶ Tax Bulletins;
- ▶ Attorney General Opinions;
- ▶ Court decisions; and
- ▶ Legislative Summaries.

The screenshot shows the Virginia Tax website interface. At the top, there is a navigation bar with the Virginia Tax logo and several menu items: Forms & Filing, Refunds, Payments & Penalties, Rulings & Decisions, Credits & Deductions, and Business Resources. A search bar is located below the navigation bar. The main heading is 'Laws, Rules, & Decisions'. Below this, there are several sections: 'Rulings & Decisions' with a link to 'Guidance Documents', 'Laws, Rules, & Decisions' with a link to 'Important Laws, Rules, & Decisions Information', and a 'Sign up for email updates' section with a 'Subscribe' button. The main content area contains a search filter section with the following options: 'With ALL of the words', 'With ANY of the words', 'Date Issued After', and 'Date Issued Before'. There are input fields for these filters. Below the filters are dropdown menus for 'Document Type', 'Tax Type', and 'Topic'. A 'Search' button and a 'Reset' button are also present. The search results are displayed in a table with the following columns: Document #, Public Document #, Document Type, Date Issued, and Description.

Document #	Public Document #	Document Type	Date Issued	Description
22-151	22-151	Rulings of the Tax Commissioner	11/16/2022	Residency: Domicile - Did not abandon former domicile Residency: Nonresident - Retirement income
22-105	22-105	Rulings of the Tax Commissioner	06/01/2022	Subtraction: Disallowed Out-of-State Severance and Vacation Pay
22-91	22-91	Rulings of the Tax Commissioner	05/05/2022	Residency: Part Year

Appeals and Rulings Process

The Appeals and Rulings process provides an ideal avenue for direct feedback regarding a specific taxpayer or issue, including:

- ▶ Appeals of assessments of state administered taxes and certain local taxes;
- ▶ Protective claims for refund under *Virginia Code* § 58.1-1824;
- ▶ Offers in compromise based on doubtful liability; and
- ▶ Rulings and local advisory opinions on tax policy questions.

Ruling Requests

- ▶ Businesses and individuals may request answers to questions of tax policy or application of the law to a specific set of circumstances.
- ▶ Requests may be filed with reference to a taxpayer, on behalf of an organization, or anonymously.
- ▶ Redacted determinations and rulings are posted in the Laws, Rules, and Decisions library as public documents.

Form Rulings-Fee **Virginia Department of Taxation**
Fee for
Ruling Request or Local Tax Advisory Opinion

Name(s) _____
Virginia Account Number (SSN or FEIN) _____
Address _____
Daytime Telephone Number(s) _____
For Businesses, Contact Name _____

Payment of \$275.00 administrative fee attached.

Administrative Fee Waiver Request

For individuals only: I/We certify that the below conditions for exemption from the administrative fee have been met. I/We understand that the fee will be required before consideration of this ruling request or local tax advisory opinion if the Department of Taxation finds that this certification is incorrect.

For local assessing officers: I certify that I am a local assessing officer.

For other waiver requests: If you are requesting a waiver for any other reason, attach an explanation.

Instructions

In general, an administrative fee of \$275.00 must be paid when you file for a ruling request or local tax advisory opinion.

Waiver of Fee for Individuals
The fee does not apply if:

- You are an individual, or the ruling request or local tax advisory opinion is for a sole proprietorship or a disregarded single-member limited liability company, **AND**
- Your gross monthly household income meets the Low Income Certification Guidelines shown below.

Family Size	Gross Monthly Income
1	\$2,529
2	\$3,429
3	\$4,329
4	\$5,229
5	\$6,129
6	\$7,029
7	\$7,929
8	\$8,829
For each additional person add:	\$900

Waiver of Fee for Local Assessing Officers
The fee does not apply if you are a local assessing officer.

Other Waiver Requests
If you are requesting a waiver of the administrative fee for any reason other than income, attach an explanation. The Department will consider waiver requests on a case-by-case basis.

What to File
Attach your payment to Form Rulings-Fee and place at the front of the package that you submit.

Where to File and Pay
Make check payable to the Virginia Department of Taxation
Mail to:
Virginia Department of Taxation
P.O. Box 27203
Richmond, Virginia 23218-7203

VA Dept. of Taxation 2501147 Rev. 06/16

Administrative Appeal

- ▶ If a taxpayer believes that a bill has been issued incorrectly or a refund claim improperly denied, they have a right to file an appeal to the Tax Commissioner under *Virginia Code* § 58.1-1821.
- ▶ Appeals must include a complete statement of the facts involved, the reason for disagreement with the assessment, as well as any supporting documentation.

Virginia Department Of Taxation
Administrative Appeal Pursuant To Virginia Code §58.1-1821

Taxpayer Information
Name of Taxpayer _____
Mailing Address _____

Administrative Appeal Information
Tax Contested (Check All That Apply)
Tax Type _____ Tax Period(s) or Taxable Year(s) _____
 Individual Income Tax _____
 Corporate Income Tax _____
 Retail Sales And Use Tax _____
 Other (Specify) _____

Virginia Department Of Taxation Account Number _____
FEIN Or SSN _____

Date(s) Of Assessment(s) _____ Bill Number(s) _____

Issue(s) - State In As Few Words As Possible The Issue(s) You Are Contesting

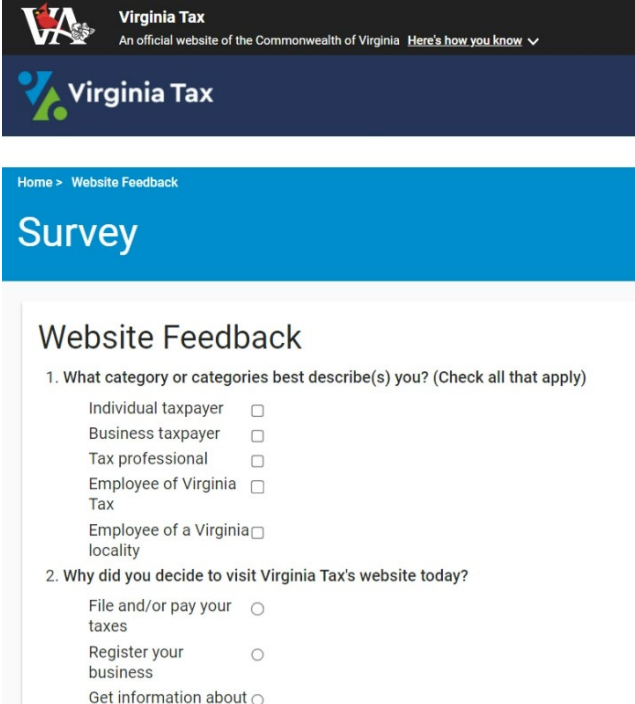
Controlling Legal Authority (Please Cite Specific Relevant Authorities)
Virginia Code _____
Regulations (Virginia Administrative Code) _____
Prior Ruling Of The Tax Commissioner (Public Documents) _____
Other _____

On attached sheets, please fully describe the issue(s) contested. Please note that this appeal will be decided based on the facts before the Department of Taxation. If additional information is needed or requested, it must be furnished with in the prescribed time period or the case will be decided based on the available facts.

Submitted By _____
*A Power of Attorney must be provided authorizing representation of the Taxpayer.
Address _____
Telephone _____ Date _____
Fax Number _____ E-mail Address _____

4. Web Surveys

Surveys appear on several HTML pages as well as on web applications including Business iFile and our online servicing app for individual taxpayers.



The screenshot shows the Virginia Tax website header with the logo and navigation links. Below the header is a blue navigation bar with the text 'Home > Website Feedback' and a large 'Survey' title. The main content area is titled 'Website Feedback' and contains two questions. Question 1 asks for the user's category or categories, with five radio button options. Question 2 asks why the user visited the website today, with three radio button options.

Virginia Tax
An official website of the Commonwealth of Virginia [Here's how you know](#) ▾

Virginia Tax

Home > Website Feedback

Survey

Website Feedback

1. What category or categories best describe(s) you? (Check all that apply)

- Individual taxpayer
- Business taxpayer
- Tax professional
- Employee of Virginia Tax
- Employee of a Virginia locality

2. Why did you decide to visit Virginia Tax's website today?

- File and/or pay your taxes
- Register your business
- Get information about

5. VSCPA and VSEA Tax Professional Feedback Meetings

- ▶ The agency's Tax Processing Unit meets with members of VSCPA and VSEA on a monthly basis to foster open and transparent dialogue, build a productive coalition, and improve collaboration efforts.
- ▶ The goal of this group is to increase electronic return filing and payment participation, identify and improve deficient programs, and improve customer service.

6. Ongoing Studies

Industry groups and professional associations are commonly asked to participate in legislatively mandated studies (such as this one).

Other examples include Integrated Revenue Management System (IRMS) Modernization Assessment and the Market Based Sourcing Work Group

Completed Studies and Surveys

[Communications Sales and Use Tax Study \(2015 HJR 635\)](#)

Virginia Tax was required to study the Communications Sales and Use Tax with the assistance of an advisory panel comprising of representatives of local governments and affected segments of the communications industry.

[Forest Products Tax Working Group](#)

Virginia Tax and the Department of Forestry worked with members of the forest products industry to build consensus as to uniform procedures for collection of the tax that reflect current industry practices and ensure the correct amount of tax is collected.

[Study of Severance Tax \(2012 HB 1233\)](#)

Virginia Tax was required to convene a working group consisting of representatives of localities that levy a severance tax and representatives of coal, oil, and gas companies that are subject to the tax. The working group was charged with reviewing the methodology for determining gross receipts subject to such tax and other issues related to the imposition of any severance tax.

[Study of Local Cigarette Tax Enforcement Policies \(2011 HB 2038 & SB 1085\)](#)

Virginia Tax was required to convene a working group to review localities' current policies on: (i) appeals of penalties related to the cigarette tax assessed on wholesalers and retailers; (ii) the desirability of having a single stamp for state and local taxes; (iii) methods of determining the validity of partially visible cigarette tax stamps; and (iv) other related issues.

[Study of Online Travel Companies \(2010 SB 452\)](#)

The House Finance Committee of the Virginia General Assembly asked Virginia Tax to conduct an in-depth

Virginia Tax Website: Newsroom

The [Newsroom](#) features key updates on general topics, such as:

- ▶ What's New for Filing Season, and
- ▶ New Virginia Tax Laws for July 1, 2023

It also provides topic-specific resources, such as:

- ▶ Sales tax increase in Pittsylvania beginning July 1, 2023, and
- ▶ Virginia Elective Pass-Through Entity Tax

The screenshot shows the Virginia Tax website's Newsroom page. At the top is a dark navigation bar with the Virginia Tax logo and links for Forms & Filing, Refunds, Payments & Penalties, Rulings & Decisions, Credits & Deductions, Business Resources, and a Log In button. Below the navigation bar is a search bar and a breadcrumb trail: Home / Latest News & Resources. The main header is a blue bar with the text "Latest News & Resources".

On the left side, there is a "Connect With Us" section with social media icons for Facebook, LinkedIn, and Twitter, and a link to "Sign Up for Email Updates". Below this is contact information for Heather Cooper, a reporter, including her email address (heather.cooper@tax.virginia.gov) and a link to a news release archive for releases prior to July 2021.

The main content area is titled "Featured Content" and contains three featured articles:

- Jun 26, 2023 / Taxpayer Resource**
New Virginia Tax Laws for July 1, 2023
Several new state and local tax laws go into effect beginning July 1.
[Read More](#)
- Feb 10, 2023 / Video**
Virginia's New Refundable Earned Income Tax Credit: What You Need to Know
[Read More](#)
- Feb 9, 2023 / Taxpayer Resource**
Did you get a Refund Verification letter from us?
Don't worry, it doesn't mean you did anything wrong. It's just an extra step we're taking to verify the returns we process and make sure refunds go to the right person.
[Read More](#)

At the bottom of the featured content area, there are filters for Category, Month, and Year, each with a dropdown menu set to "- Any -", and a blue "Filter" button.

Virginia Tax Website: Guidance Documents

Guidelines are instructions for taxpayers related to specific events or tax-related subjects.

Guidance documents provided include:

- ▶ Guidelines Currently Under Development
- ▶ Recently Developed Guidelines
- ▶ Guidelines and Manuals Currently in Effect
- ▶ Income Tax Guidelines
- ▶ Sales Tax Guidelines
- ▶ Miscellaneous Tax Guidelines
- ▶ Manuals and Procedural Guidelines

The screenshot shows the Virginia Tax website's 'Guidance Documents' page. The header includes the Virginia Tax logo and navigation links for Forms & Filing, Refunds, Payments & Penalties, Rulings & Decisions, Credits & Deductions, and Business Resources. A search bar is located below the navigation. The main content area is titled 'Guidance Documents' and features a sidebar with 'Rulings & Decisions' and 'Guidance Documents' sections. The 'Guidance Documents' section includes a 'Sign up for email updates' button. The main content area contains a description of guidelines, a list of 'Guidelines Currently Under Development', and a list of 'Recently Developed Guidelines' with their respective dates.

Virginia Tax

Forms & Filing Refunds Payments & Penalties Rulings & Decisions Credits & Deductions Business Resources Log In

Search our site (for forms, instructions, or anything else)

Home / Guidance Documents

Guidance Documents

Rulings & Decisions

Guidance Documents

Laws, Rules, & Decisions

Sign up for email updates
Get Virginia tax filing reminders and tax news for individuals and businesses.

Subscribe

Guidelines are instructions for taxpayers related to specific events or tax-related subjects. They're available below and on the [Virginia Regulatory Town Hall site](#).

For other Guidance Documents including Tax Bulletins and Rulings, see [Laws, Rules and Decisions](#), or for Publications and Reports see [Facts and Figures](#).

Guidelines Currently Under Development

- [Elective Pass-Through Entity Tax Guidelines](#)
- [Market Based Sourcing Guidelines for Qualifying Property Information and Analytics Firms](#)

Recently Developed Guidelines

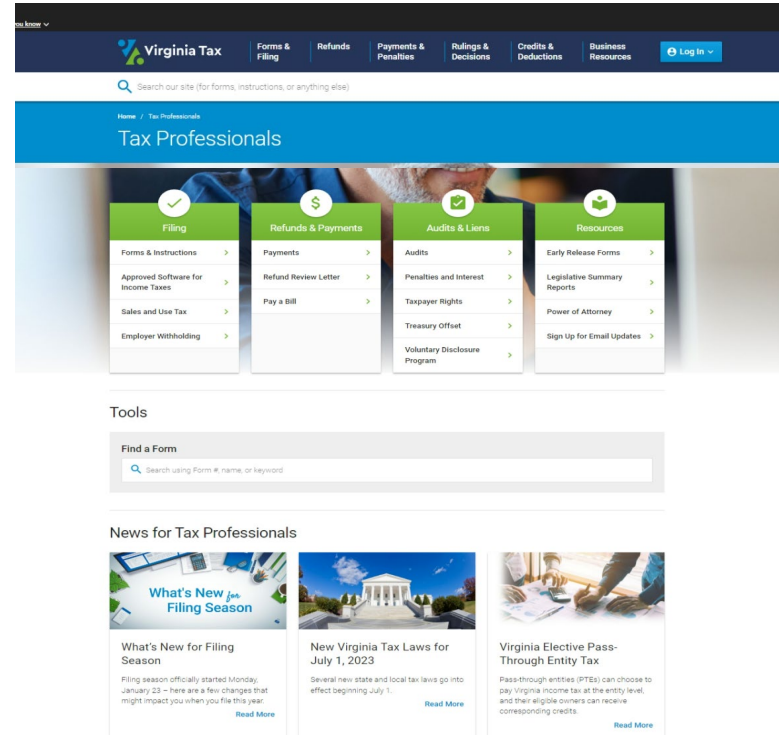
- [2022 Guidelines for the Application of the Retail Sales and Use Tax to Sales of Accommodations Facilitated by Accommodations Intermediaries \(September 29, 2022\)](#)
- [Guidelines for the Classification of Workers \(September 30, 2021\)](#)
- [Guidelines for the Virginia Disposable Plastic Bag Tax \(September 1, 2021\)](#)
- [Guidelines for the Application of the Retail Sales and Use Tax to Sales of Accommodations Facilitated by Accommodations Intermediaries \(September 1, 2021\)](#)
- [Guidelines for Reporting Federal Tax Adjustments \(August 13, 2021\)](#)
- [Guidelines for the Retail Sales and Use Exemption for Personal Protective Equipment \(Expired March 24, 2022\)](#)
- [Recyclable Materials Processing Equipment Tax Credit Guidelines \(updated December 16, 2020\)](#)
- [Motor Vehicle Rental and Vehicle Sharing Tax Guidelines \(August 26, 2020\)](#)
- [Major Research and Development Expenses Tax Credit Guidelines \(updated July 14, 2020\)](#)
- [Research and Development Expenses Tax Credit Guidelines \(updated July 7, 2020\)](#)
- [Guidelines and Rules for the Tobacco Products Tax \(issued May 4, 2020\)](#)
- [Cigarette Tax Rate Increase Guidelines and Rules \(issued April 8, 2020\)](#)
- [Debt Buyer Apportionment Guidelines \(February 6, 2020\)](#)
- [Business Interest Expense Deduction Limitations Guidelines \(December 26, 2019\)](#)
- [Certified Company Apportionment Guidelines \(issued July 25, 2019\)](#)
- [Guidelines for Remote Sellers and Marketplace Facilitators \(issued June 27, 2019\)](#)
- [Real Estate Investment Trust Subtraction Guidelines \(issued December 7, 2018\)](#)
- [Worker Retraining Tax Credit Guidelines \(issued November 20, 2018\)](#)
- [Virginia ABLE Account Deduction Guidelines \(issued September 21, 2017\)](#)
- [Guidelines for the Virginia Tax Amnesty Program \(issued September 5, 2017\)](#)

Virginia Tax Website: Tax Professionals

Our website's [Tax Professionals](#) page organizes information for tax professionals in 4 categories:

- ▶ Filings
- ▶ Refunds & Payments
- ▶ Audits & Liens
- ▶ Resources

The page also includes news tailored for tax professionals.



- ▶ What Virginia Tax systems have you used most frequently?
 - ▶ What's working well?
 - ▶ What systems could be improved upon?
- ▶ What types of feedback need additional support?
- ▶ In light of the ongoing tax professional feedback group, what else can be done to facilitate feedback?

- ▶ Presentation will be made available on the Tax Practitioner Feedback Work Group on the Virginia Tax website at:
www.tax.virginia.gov/tax-practitioners-feedback-work-group
- ▶ Survey for participants – email with link to follow.
- ▶ Additional feedback opportunity to be included in our report of findings and recommendations by December 1, 2023, to the Chairperson of the following:
 - ▶ House Committee on Finance;
 - ▶ House Committee on Appropriations; and
 - ▶ Senate Committee on Finance and Appropriations.

Additional Resources

Online Resources

- ▶ Virginia Tax Homepage: <https://www.tax.virginia.gov>
- ▶ Laws, Rules, and Decisions: <https://www.tax.virginia.gov/laws-rules-decisions>
- ▶ Legislative Summaries: <https://www.tax.virginia.gov/legislative-summary-reports>
- ▶ Guidance Documents: <https://www.tax.virginia.gov/guidance-documents>
- ▶ Virginia Regulatory Town Hall: <https://www.townhall.virginia.gov>
- ▶ Taxpayer Bill of Rights: <https://www.tax.virginia.gov/taxpayer-rights>
- ▶ Tax Professionals Webpage: <https://www.tax.virginia.gov/tax-professionals>
- ▶ Newsroom: <https://www.tax.virginia.gov/newsroom>

Sign up for Email Updates

- ▶ Get monthly filing reminders and updates about tax law changes and new services
 - ▶ Under “Connect with Us” on the Virginia Tax website, select “Sign Up for Email Updates”
 - ▶ Subscribe to “Tax Preparers” topic

The screenshot shows a web form titled "Email Updates" with the Virginia Tax logo at the top. The form includes a dropdown menu for "Subscription Type" with "Email" selected, and a text input field for "Email Address" with a red asterisk indicating a required field. Below the input fields are "SUBMIT" and "CANCEL" buttons. A disclaimer at the bottom states: "Your contact information is used to deliver requested updates or to access your subscriber preferences." with links for "Privacy Policy" and "Help".

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▶ @VATaxDepartment



▶ Virginia Department of Taxation

Thank you



David Sams

Director, Tax Policy Development
david.sams@tax.virginia.gov



Anna Dunkum

Tax Policy Analyst
anna.dunkum@tax.virginia.gov