

House Bill 1368: Work Group

Office of Tax Policy

September 28, 2023

- ▶ Introductions
- ▶ Review of Survey Responses, generally.
- ▶ Recommendations by participants for changes to existing mechanisms for tax practitioner feedback
- ▶ Discussion of scope, feasibility, and function of ongoing commission

- ▶ **Kristin Collins**, Assistant Commissioner of Tax Policy
- ▶ **Joseph Mayer**, Lead Tax Policy Analyst (Sales & Local Tax)
- ▶ **Anna Dunkum**, Senior Tax Policy Analyst
- ▶ **Heather Cooper**, Director of Communications & Training
- ▶ **Lauren Dart**, Strategic Communications Manager

Generally:

Better Marketing

- ▶ “I didn’t know most of these existed!”
- ▶ “I was never aware that most of this existed over the many years of working with the VA Department of Taxation”

More Transparency

1. Virginia Regulatory Town Hall

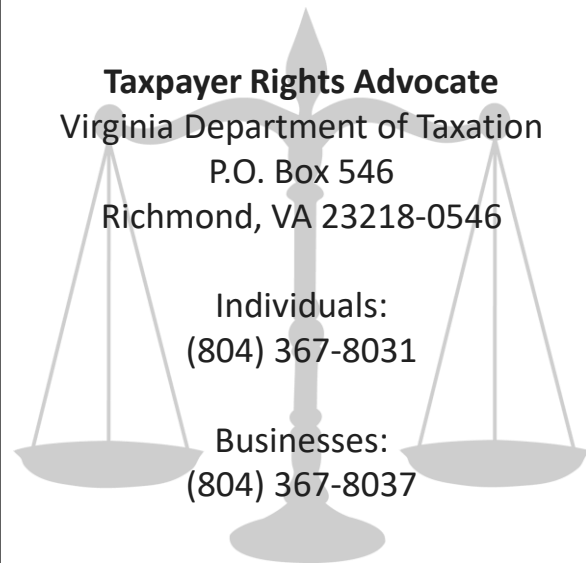
- ▶ Least used resource according to participants
- ▶ How can Virginia Tax increase the usefulness of the Regulatory Town Hall to Tax Practitioners?



2. Taxpayer Advocate

Recommendations:

- ▶ Dedicated role where taxpayer issues are the only focus of the advocate
- ▶ IRS Local Taxpayer Advocate has provided practitioners a direct email address to improve communication and case resolution



Taxpayer Rights Advocate
Virginia Department of Taxation
P.O. Box 546
Richmond, VA 23218-0546

Individuals:
(804) 367-8031

Businesses:
(804) 367-8037

3. Laws, Rules and Decisions

Recommendations:

- ▶ Add a “posted date” to show when determinations became publically available.
- ▶ Allow an option to download the search results into an excel file

The screenshot shows the Virginia Tax website's search interface for 'Laws, Rules, & Decisions'. The navigation bar includes links for 'Forms & Filing', 'Refunds', 'Payments & Penalties', 'Rulings & Decisions', 'Credits & Deductions', and 'Business Resources', along with a 'Log In' button. A search bar is present with the text 'Search our site (for forms, instructions, or anything else)'. Below the search bar, the page title 'Laws, Rules, & Decisions' is displayed. The main content area features a search filter section with options for 'Rulings & Decisions', 'Guidance Documents', and 'Laws, Rules, & Decisions'. The 'Laws, Rules, & Decisions' section is active, showing a search box with the text 'Virginia source income', a 'Search' button, and a 'Reset' button. Below the search box, there are dropdown menus for 'Document Type', 'Tax Type', and 'Topic', all set to '- Any -'. A table of search results is displayed below the filters, with columns for 'Document #', 'Public Document #', 'Document Type', 'Date Issued', and 'Description'. The table contains three rows of results.

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	05/05/2022	Residency - Part Year

4. Appeals and Rulings Process

- ▶ Most used mechanism by practitioners

Recommendation:

- ▶ Develop a method to check status of pending appeals or ruling requests

5. Presentations to Practitioner Groups

Recommendations:

- ▶ Should be done pre-filing season and post-filing season to quickly identify issues
- ▶ Make links to trainings available under the Tax Professionals page on the Virginia Tax Website

House Bill 1368

- ▶ *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.***

Creation of an Ongoing Commission

Would an ongoing commission or similar structure achieve the desired result?

- ▶ Who would participate?
- ▶ Using what resources?
- ▶ Legislative or administrative?

Scope

What should be the scope of an ongoing commission?

Relevant Survey Responses:

- ▶ “Discuss how current and proposed rulings are affecting taxpayers and have a better understanding of the intent of those rulings and assist practitioners to have a better understanding of intent”
- ▶ Allowing tax practitioners access to the “policy makers”

Feasibility

What characteristics would make an ongoing commission feasible?

Relevant Survey Responses:

- ▶ Mirror tax processing monthly meetings with a similar meeting with tax policy
- ▶ Include some middle managers who work directly with taxpayers and tax practitioners

Function

What would be the function (or goals) of an ongoing commission?

Relevant Survey Responses:

- ▶ Provide two way communication between tax practitioners and Virginia Tax
- ▶ Expand the feedback group to include more stakeholders to provide feedback in different areas

- ▶ 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
- ▶ A report of the findings and recommendations of the work group will be filed by December 1, 2023.
- ▶ Prior to submission, the report will be circulated to work group participants to allow for an opportunity to review and, if desired, provide a letter from their organization to be attached to the report as an exhibit.