

DEPARTMENT OF TAXATION

2001 Fiscal Impact Statement

1. **Patron** Drake

3. **Committee** Senate Finance

4. **Title** Retail Sales and Use Tax: Eliminate
Signature Requirement on Sales and Use
Tax Registration Application

2. **Bill Number** HB 1746

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would eliminate the signature requirement on the application for a sales and use tax certificate of registration for taxpayers to conduct business as “dealers” in Virginia.

This is a Department of Taxation bill.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** None. (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

This bill would not increase or decrease General Fund revenues. It eliminates an administrative procedure that taxpayers currently must follow. The department would incur minimal costs to implement this bill.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. **Technical amendment necessary:** None.

11. Other comments:

Current law requiring a signature on the retail sales and use tax registration application dates back to a time when taxpayers did not have electronic methods available to file returns, reports, and other information with the Department of

Taxation. The elimination of the signature requirement on the registration application

will offer businesses the opportunity to register using new methods such as the telephone and the Internet.

Streamlining the registration process may encourage voluntary compliance of taxpayers by reducing the administrative burden of tax registration for taxpayers. This bill would allow the Department of Taxation to do business with taxpayers using more efficient methods that make use of new technology now available to the Department of Taxation and taxpayers.

The removal of the signature requirement on the registration application does not reduce or eliminate taxpayers' obligations related to the filing and payment of sales and use taxes. A dealer's obligation to collect and pay sales tax for the Commonwealth arises from the activities of the dealer, rather than the dealer's registration.

This bill is identical to SB 857.

cc: Secretary of Finance

Date: 2/6/01/GRM

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