

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 184

An Act to amend and reenact § 58.1-1833 of the Code of Virginia, relating to the payment of interest on refunds of state income taxes.

[H 39]

Approved March 22, 2002

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1833 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1833. Interest on overpayments or improper collection.

A. Interest shall be allowed and paid upon the overpayment of any tax administered by the Department, the refund of which is permitted or required under the provisions of this article, or on moneys improperly collected from the taxpayer and refunded pursuant to § 58.1-1822, at a rate equal to the rate of interest established pursuant to § 58.1-15. Such interest shall accrue from a date sixty days after payment of the tax, or sixty days after the last day prescribed by law for such payment, whichever is later, and shall end on a date determined by the Department preceding the date of the refund check by not more than thirty days. Notwithstanding the above, any tax refunded pursuant to a court order or otherwise as a result of an erroneous assessment shall bear interest from the date the assessment was paid. No interest will be paid on sales taxes refunded to a dealer unless the dealer agrees to pass such interest on to the purchaser.

B. 1. Notwithstanding the provisions of subsection A, if an individual overpays his individual income tax, the overpayment was for individual income taxes for the immediately preceding taxable year, and the overpayment has not been refunded, then interest shall accrue on the amount of the overpayment beginning: (i) thirty days after payment of such tax if the individual filed his individual income tax return via electronic means; or (ii) sixty days after payment of such tax if the individual filed his individual income tax return using a method other than electronic means.

In no case shall interest be paid for the overpayment of the same tax pursuant to this subsection and subsection A.

2. For purposes of this subsection, interest shall accrue at a rate equal to the rate of interest established pursuant to § 58.1-15. Such interest shall end on a date determined by the Department preceding the date of the refund check by not more than seven days.

B C. For purposes of this section:

~~(1) 1. Any individual income tax deducted and withheld at the source and paid to the Department, and any amount paid as estimated tax, shall be deemed to have been paid on the day on which the return for such year's income was filed, or the last day prescribed by law for filing such return, whichever is later; and~~

~~(2) 2. Any corporate or estate and trust income tax deducted and withheld at the source and paid to the Department, and any amount paid as estimated tax, shall be deemed to have been paid on the day on which the return for such year's income was filed, or the last day prescribed by law for filing such return, whichever is later; and~~

3. Any overpayment of tax resulting from the carry-back of a net operating loss or net capital loss shall be deemed to have been made on the day on which the return for the year in which the loss occurred was filed, or the last day prescribed by law for such filing, whichever is later.

2. That the provisions of this act shall be effective for taxable years beginning on or after January 1, 2003.