

## 2002 SESSION

INTRODUCED

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### SENATE BILL NO. 530

Offered January 9, 2002

Prefiled January 9, 2002

*A BILL to amend and reenact § 58.1-1833 of the Code of Virginia, relating to the payment of interest on refunds of state taxes.*

Patrons—Mims; Delegates: Almand, Landes, Reese and Stump

Referred to Committee on Finance

#### **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~~*twenty-one* 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 ~~thirtyseven~~ 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. For purposes of this section:

(1) Any 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) 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.~~

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