

**DEPARTMENT OF TAXATION
2006 Fiscal Impact Statement**

1. Patron Robert D. Hull

2. Bill Number HB 1366

3. Committee Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. Title Local Taxes; Appeals

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. Summary/Purpose:

This bill would make a technical correction to the Business, Professional and Occupational License (BPOL) Tax, Local Business Tax and Local Mobile Property Tax administrative appeals statutes to make the definitions of "jeopardized by delay" consistent with the original use of the term in Virginia state income tax law.

The effective date of this bill is not specified.

6. No Fiscal Impact. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications: None.

9. Specific agency or political subdivisions affected:

All localities.

10. Technical amendment necessary: No.

11. Other comments:

Under current law, a taxpayer may seek correction of an assessment of the local Business, Professional and Occupational License (BPOL) Tax, Local Business Tax or Local Mobile Property Tax by filing an appeal with the local assessing officer and/or the circuit court.

Upon filing, the locality must suspend collection activity, unless the locality determines that collection would be "jeopardized by delay." The BPOL, Local Business Tax and Local Mobile Property Tax statutes currently define this term to mean "a finding, based upon specific facts, that a taxpayer desires to (i) depart quickly from the locality, (ii) remove his property therefrom, (iii) conceal himself or his property, or (iv) do any other act tending to

prejudice, or to render wholly or partially ineffectual, proceedings to collect the tax for the period in question.”

The Department believes that the use of the term “desires” was unintentional. The original use of the term “jeopardize by delay” in Virginia state income tax law refers to situations where a taxpayer designs to do certain acts. The word “designs” requires a finding that a plan exists to commit one of the defined acts, rather than a mere thought or desire.

This bill would replace the term “desires” with “designs” in the definition of the term “jeopardized by delay.”

cc : Secretary of Finance

Date: 03/01/2006 JEM