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SENATE BILL NO. 905

Offered January 14, 2009

Prefiled January 5, 2009

A BILL to amend and reenact § 58.1-1834 of the Code of Virginia, relating to powers of attorney in tax matters with the Department of Taxation.

Patrons—Stosch; Delegate: O'Bannon

Referred to Committee on Finance**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-1834 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-1834. Taxpayer meetings; representation; recording meetings.

A. At or before an initial meeting relating to the determination of a tax, the Department shall provide the taxpayer a written explanation of the audit process and the taxpayer's rights in the process. At or before an initial meeting relating to the collection of a tax, the Department shall provide the taxpayer a written explanation of the collection process and the taxpayer's rights in the process.

B. A taxpayer may authorize a person, through a power of attorney filed with the Department, to represent the taxpayer at his cost. *Once a taxpayer files a power of attorney with the Department in accordance with procedures developed by the Department and while the power of attorney is in effect, at the same time that the Department mails, issues, or otherwise provides to the taxpayer any written correspondence, documentation, or other written materials that relate to the tax matter for which the power of attorney has been filed, the Department shall provide a copy of the same to the person named as power of attorney. The copy shall be furnished to the person named as power of attorney under the same delivery method used for providing the written correspondence, documentation, or other written materials to the taxpayer.*

The Department may not require a taxpayer to accompany the taxpayer's representative to the meeting unless the Tax Commissioner has summoned the taxpayer pursuant to § 58.1-216.

C. The Department shall suspend a meeting relating to the determination of a tax if, at any time during the meeting, the taxpayer expresses the desire to consult with an attorney, accountant, or other person who, through a power of attorney, may represent the taxpayer before the Department. However, after one such suspension has been granted and upon a finding that a taxpayer's request for suspension is frivolous or groundless, the Department may terminate the meeting and issue an assessment, if appropriate.

D. The Department shall allow a taxpayer to make an audio recording of a meeting relating to the determination of a tax at the taxpayer's expense and using the taxpayer's equipment. The Department may make an audio recording of such meetings at its own expense and using its own equipment. The Department shall, upon request of the taxpayer, provide the taxpayer a transcript of a meeting recorded by the Department. The Department may charge the taxpayer for the cost of the requested transcription and reproduction of the transcript. Receipts from the charges for the transcripts shall be credited to the Department for reimbursement of transcription expenses.

INTRODUCED

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