

2011 SESSION

INTRODUCED

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SENATE BILL NO. 1124

Offered January 12, 2011

Prefiled January 11, 2011

A *BILL to facilitate transferring administration of the tax on gross premiums of certain insurance companies from the State Corporation Commission to the Department of Taxation.*

Patron—Stosch

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. *§ 1. That the Department of Taxation and the State Corporation Commission are hereby authorized to enter into a memorandum of understanding in order to transfer the responsibility for processing tax returns for the insurance premiums tax under Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 of the Code of Virginia, as well as the handling of related payments and any related billing. This memorandum of understanding shall be effective for taxable years beginning on and after January 1, 2012.*

Furthermore, the Department of Taxation and the State Corporation Commission shall jointly prepare legislation for the 2012 Regular Session of the General Assembly that will establish the transfer of collections responsibilities for the insurance premiums tax for taxable years beginning on and after January 1, 2013. Such legislation shall also provide for the transfer of the complete administration of the insurance premiums tax for taxable years beginning on and after January 1, 2014.

Any costs related to the insurance premiums tax that are incurred by the Department of Taxation shall be recovered from the assessment for expenses under § 38.2-403 of the Code of Virginia.

2. **That for the purpose of implementing the provisions of this act, the Department of Taxation shall be exempt from the provisions of §§ 2.2-2015 and 2.2-2018 through 2.2-2021 of the Code of Virginia pertaining to the Virginia Information Technologies Agency's project management and procurement oversight.**

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