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HOUSE BILL NO. 246

Offered January 11, 2012

Prefiled January 10, 2012

A BILL to amend and reenact § 58.1-202 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 30-19.1:11, relating to sunsets and review of tax credits.

Patrons—Cline, Englin, Brink, Cole, Keam, Landes, McClellan, Peace and Surovell

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-202 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 30-19.1:11 as follows:

§ 30-19.1:11. Legislation that creates or renews tax credits.

No bill proposing to add a new state tax credit or renew an existing state tax credit shall be reported from any committee of the General Assembly unless such bill contains an expiration date of not longer than five years from the effective date of the new or renewed state tax credit.

§ 58.1-202. General powers and duties of Tax Commissioner.

In addition to the powers conferred and the duties imposed elsewhere by law upon the Tax Commissioner, he shall:

1. Supervise the administration of the tax laws of the Commonwealth, insofar as they relate to taxable state subjects and assessments thereon, with a view to ascertaining the best methods of reaching all such property, of effecting equitable assessments and of avoiding conflicts and duplication of taxation of the same property.

2. Recommend to the Governor and the General Assembly measures to promote uniform assessments, just rates and harmony and cooperation among all officials connected with the revenue system of the Commonwealth.

3. Exercise general supervision over all commissioners of the revenue so far as the duties of such officers pertain to state revenues, and confer with, instruct and advise all such officers in the performance of their duties to the extent stated.

4. Investigate at any time the assessment and collection of state taxes in any county or city and when the assessment is found unreasonable and unjust take steps to correct the same in the manner provided by law.

5. Institute proceedings by motion in writing in the proper court for the removal or suspension of commissioners of the revenue for incompetency, neglect or other official misconduct and order the Comptroller to withhold compensation from any commissioner of the revenue who fails to comply with any law governing the duties or any lawful instruction of the Tax Commissioner, until such commissioner of the revenue complies with such law or instruction.

6. Provide commissioners of the revenue with information and assistance in the assessment of personal property, including the maintenance of a reference library and the conduct of instructional programs.

7. Prescribe the forms of books, schedules and blanks to be used in the assessment and collection of state taxes and call for and prescribe the forms of such statistical reports, notices and other papers as he may deem necessary to the proper administration of the law, and prescribe and install uniform systems to be used by assessing officials.

8. Direct such proceedings, actions and prosecutions to be instituted as may be needful to enforce the revenue laws of the Commonwealth and call on the Attorney General or other proper officer to prosecute such actions and proceedings.

9. Intervene, by petition or otherwise, whenever deemed advisable in any action or proceeding pending in any court wherein the constitutionality or construction of any state tax or revenue statute or the validity of any state tax is in question. The court wherein such action or proceeding is pending may, by order entered therein, make the Tax Commissioner a party thereto whenever deemed necessary.

10. Upon request by any local governing body, local board of equalization or any ten citizens and taxpayers of the locality, render advisory aid and assistance to such board in the matter of equalizing the assessments of real estate and tangible personal property as among property owners of the locality.

11. Annually make available to every county and city and, where appropriate, towns, a general reassessment procedures manual which provides the legal requirements for conducting general reassessments, and guidelines suggesting the broad range of factors in addition to market data that are appropriate for consideration in the determination of fair market value of both rural and urban land and

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59 structures.

60 12. Issue an annual report to the members of the House Appropriations Committee, the House
61 Finance Committee, and the Senate Finance Committee detailing procedures used in the collections
62 process and how the Virginia Taxpayer Bill of Rights (§ 58.1-1845) is implemented to assist with such
63 collections.

64 13. Ensure that employees of the Department are not paid, evaluated, or promoted on the basis of the
65 amount of assessments or collections from taxpayers.

66 14. Issue an annual report to the members of the General Assembly and post such report on the
67 Department's website that details the total amount of corporate income tax relief provided in the
68 Commonwealth during the second preceding tax year. The report shall (i) include the total dollar amount
69 of income tax subtractions, deductions, exclusions, and exemptions claimed cumulatively by
70 corporations; (ii) identify all tax credits claimed; (iii) provide an analysis of the fiscal impact of the
71 corporate tax relief; and (iv) provide summary information regarding the types of taxpayers who claim
72 the tax relief. The report shall also provide information on the number of companies that have qualified
73 for the major business facility job tax credit established under § 58.1-439 and the amount of such
74 credits. The report shall be submitted by October 1 of each year.

75 15. Obtain information from each income tax taxpayer as to whether the taxpayer claimed a federal
76 earned income tax credit and the amount claimed, unless such information can be calculated based on
77 other information in the taxpayer's return.

78 16. *Undertake a study annually, and report its findings to the Governor and General Assembly by*
79 *December 1 of each year, of the most recent annual revenue loss of each state tax credit that is*
80 *scheduled to sunset in the following two calendar years.*