

# 2015 SESSION

INTRODUCED

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## HOUSE BILL NO. 2233

Offered January 16, 2015

A *BILL to direct the Commissioner of the Department of Taxation to convene a working group; market-based sourcing.*

Patron—Davis

Referred to Committee on Finance

### Be it enacted by the General Assembly of Virginia:

1. § 1. That the Commissioner of the Department of Taxation shall convene a working group to review existing law related to determining when sales, other than sales of tangible personal property, are considered to be in the Commonwealth for purposes of the corporate income tax. Such working group shall consist of such entities as deemed necessary by the Commissioner, including but not limited to representatives of telecommunications providers, data centers, and other technology service providers. The working group may, at the Commissioner's discretion, include out-of-state businesses with a significant portion of sales in the Commonwealth. The working group shall review and make recommendations concerning the desirability and feasibility of amending existing law to adopt a market-based sourcing approach to sales and the desirability and feasibility of adopting a bifurcated approach to sales that would allow some businesses to use a market-based sourcing approach and other businesses with significant property and payroll in the Commonwealth to continue to use the existing model. An estimate of the potential fiscal impact on the Commonwealth shall be included with any recommendation. The Commissioner shall provide a report of the working group and any recommendations to the Chairmen of the House Committee on Finance and the Senate Committee on Finance by December 1, 2015.

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