

**DEPARTMENT OF TAXATION  
2018 Fiscal Impact Statement**

1. **Patron** Nicholas J. Freitas

3. **Committee** Senate Finance

4. **Title** Unemployment insurance tax reports and  
payments; filing

2. **Bill Number** HB 538

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would require the Department of Taxation ("the Department") and the Virginia Employment Commission ("VEC") to consider the feasibility of permitting taxpayers to submit tax reports and payments electronically for both VEC and the Department using a single sign-on. The Department and VEC would also be required to consider the feasibility, merits, and costs of developing and implementing an identity management system or retaining a contractor to do so.

The effective date is not specified.

6. **Budget amendment necessary:** No.

7. **No Fiscal Impact.** (See Line 8.)

**8. Fiscal implications:**

Administrative Costs

The Department and VEC would be able to study the feasibility of modifying their systems without requiring an appropriation. If it is determined that the requested system modifications are feasible, an appropriation may be requested in the future.

Revenue Impact

This bill would have no impact on state or local revenue.

**9. Specific agency or political subdivisions affected:**

Department of Taxation  
Virginia Employment Commission

10. **Technical amendment necessary:** No.

## 11. Other comments:

### Current Law

The VEC website offers several methods for filing and paying electronically, as well as instructions for filing on paper. For several years, VEC has linked to the Department of Taxation's iFile and Web Upload functions. Recently, VEC has upgraded its systems, which includes online functions similar to those offered by the Department. VEC is planning to utilize its own electronic filing systems in the future.

### Proposal

This bill would require the Department and VEC to consider the feasibility of permitting taxpayers to submit tax reports and payments electronically for both VEC and the Department using a single sign-on. The Department and VEC would also be required to consider the feasibility, merits, and costs of developing and implementing an identity management system or retaining a contractor to do so.

The effective date is not specified.

cc : Secretary of Finance

Date: 2/19/2018 JJ  
HB538FH1161