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HOUSE BILL NO. 730

Offered January 8, 2020

Prefiled January 6, 2020

A *BILL to amend the Code of Virginia by adding in Article 4 of Chapter 3 of Title 58.1 a section numbered 58.1-356, relating to reporting of payments by third-party settlement organizations.*

Patron—Watts

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 4 of Chapter 3 of Title 58.1 a section numbered 58.1-356 as follows:

§ 58.1-356. Reporting of payments by third-party settlement organizations.

A. As used in this section:

"Participating payee" has the same meaning as that term is defined in § 6050W of the Internal Revenue Code.

"Reportable payment transactions" has the same meaning as that term is defined in § 6050W of the Internal Revenue Code.

"Third-party settlement organization" has the same meaning as that term is defined in § 6050W of the Internal Revenue Code.

B. Any third-party settlement organization shall report to the Department, and to any participating payee, all information required by § 6050W of the Internal Revenue Code with respect to reportable payment transactions made on or after January 1, 2020 to such participating payee. For the purposes of this requirement, the de minimis limitations of § 6041(a) of the Internal Revenue Code shall apply in lieu of the de minimis limitations of § 6050W(e) of the Internal Revenue Code. This section shall apply only with respect to participating payees with a Virginia mailing address.

C. Any information required by this section shall be reported to the Department on forms and using an electronic medium prescribed by the Tax Commissioner. The Tax Commissioner shall have the authority to waive the requirement to submit this information electronically upon a determination that the requirement creates an unreasonable burden on the third-party settlement organization that is required to report information pursuant to this section. All requests for waiver shall be transmitted to the Tax Commissioner in writing.

D. Any information required by this section shall be reported to the Department and participating payees within 30 days of the relevant federal deadlines for reporting such information. This requirement shall be applied as if the de minimis limitations of § 6041(a) of the Internal Revenue Code had been imposed for federal purposes rather than the de minimis limitations of § 6050W(e) of the Internal Revenue Code.

INTRODUCED

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