

20102402D

HOUSE BILL NO. 732

Offered January 8, 2020

Prefiled January 6, 2020

A BILL to amend and reenact § 58.1-202.3 of the Code of Virginia and Chapter 535 of the Acts of Assembly of 2010, relating to Department of Taxation; Virginia Free File.

 Patron—Watts

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-202.3 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-202.3. Fillable tax forms.**

The Tax Commissioner shall ensure that all required state tax forms are fillable forms in a portable document format for taxable periods beginning on and after January 1, 2012, and are available on the Department of Taxation's website. The Tax Commissioner shall begin making fillable forms available no later than January 1, 2012, and shall make all fillable forms available no later than March 1, 2013.

The Tax Commissioner shall develop guidelines for using such forms and publish them on the Department's website.

Nothing in this section shall replace, supersede, modify, duplicate, or compete with the Virginia Free File program in its provision of online interactive tax software and filing products and services for Virginia taxpayers.

2. That Chapter 535 of the Acts of Assembly of 2010 is amended and reenacted as follows:

§ 1. That no later than December 31, 2010, the Tax Commissioner shall establish a Virginia Free File program based on similar to the Internal Revenue Service (IRS) Free File program, as established by the IRS under public rulemaking and set forth in the Federal Register, Vol. 67, No. 213, Monday, November 4, 2002, pages 67247-67251, as other states have done. Such program shall be effective for the filing period for the 20102020 calendar year individual income tax returns and every calendar year thereafter.

To implement the Virginia Free File program, the Commonwealth shall enter into a non-monetary agreement with companies in the electronic tax preparation and filing industry (the Consortium for Virginia) to work together to offer free, online tax return preparation and filing services to 70 percent of Virginia taxpayers with the lowest incomes; the same as the IRS Free File program for federal taxpayers. The Consortium for Virginia shall offer these free tax services to certain Virginia taxpayers at no cost to the Commonwealth. The Commonwealth shall provide eligible taxpayers with links through the Department of Taxation's website to the free services offered by the Consortium for Virginia participants.

The Virginia Free File agreement to be established between the Commonwealth and the Consortium of Virginia shall be based upon the agreement between the IRS and the Consortium of Virginia that was signed by the IRS Commissioner on October 30, 2002, and that was most recently modified and extended on November 5, 2009, and the bilateral commitments, rules, and requirements contained therein, and shall be consistent with IRS Publications 1345 and 3112. The Virginia Free File agreement to be established between the Commonwealth and the Consortium of Virginia need not be based upon the agreement between the IRS and the Consortium of Virginia that was signed by the IRS Commissioner on October 30, 2002, and the bilateral commitments, rules, and requirements contained therein and in subsequent modifications and renewals. The Commonwealth shall, using available resources, coordinate efforts with the IRS Free File program, the Free File Alliance, and the Internal Revenue Service to maximize among eligible Virginia taxpayers (a) awareness of the Virginia Free File program and (b) the claiming of the federal earned income tax credit.

INTRODUCED

HB732