

2020 SPECIAL SESSION I

INTRODUCED

20200252D

HOUSE BILL NO. 5006

Offered August 18, 2020

Prefiled August 10, 2020

A *BILL to waive penalties and interest and to provide tax refunds to taxpayers suffering a job loss, business closure, or reduction in business operations as a result of an emergency declaration in response to the COVID-19 pandemic.*

Patrons—Cole, M.L., Avoli, Batten, Davis, Fowler, LaRock, Poindexter, Runion, Walker, Ware and Wright; Senators: Reeves and Ruff

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. § 1. *That for the purposes of this act:*

"Period of closure" means the period of time in which a taxpayer's business or place of employment was required to close or reduce operations in order to comply with an executive order issued in response to the COVID-19 pandemic.

"Qualified taxpayer" means a taxpayer whose business or place of employment suffered a period of closure.

§ 2. *That, notwithstanding the provisions of Item 3-5.23 of Chapter 1283 of the 2020 Acts of Assembly and Item 3-5.22 of Chapter 1289 of the 2020 Acts of Assembly, the Department of Taxation (the Department) shall, for qualified taxpayers, waive interest and penalties as otherwise required for late payments pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 of the Code of Virginia on any income tax payment for taxable year 2019 originally due during the extended income tax filing period from April 1, 2020, to June 1, 2020, pursuant to Tax Bulletin 20-5, provided that full payment of such taxpayer's liability, including any penalties or interest due, is made on or before December 1, 2020. The Department shall issue a refund in the amount of any interest and penalties assessed by and paid to the Department by any taxpayer who made such an interest or penalty payment on or before the effective date of this act. The Department shall issue the refunds pursuant to this act no later than four weeks after the effective date of this act.*

§ 3. *That the Department shall, for qualified taxpayers, waive interest and penalties as otherwise required for late payments pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 of the Code of Virginia on any sales and use tax payment originally due during a period of closure, provided that full payment of such taxpayer's liability, including any penalties or interest due, is made no later than six months after the original date on which such tax was due. The Department shall issue a refund in the amount of any interest and penalties assessed by and paid to the Department by any taxpayer who made such an interest or penalty payment on or before the effective date of this act. The Department shall issue the refunds pursuant to this act no later than four weeks after the effective date of this act.*

§ 4. *That all localities shall, for qualified taxpayers, waive interest and penalties as otherwise required for late payments pursuant to Chapter 39 (§ 58.1-3900 et seq.) of Title 58.1 of the Code of Virginia on any local tax payment originally due during a period of closure, provided that full payment of such taxpayer's liability, including any penalties or interest due, is made no later than six months after the original date on which such tax was due. Each locality shall issue a refund in the amount of any interest and penalties assessed by and paid to such locality by any taxpayer who made such an interest or penalty payment on or before the effective date of this act. The locality shall issue the refunds pursuant to this act no later than four weeks after the effective date of this act.*

§ 5. *That any refund issued pursuant to the provisions of this act shall be in addition to any refund that may be due pursuant to § 58.1-309 of the Code of Virginia. Any refund issued pursuant to this act shall be subject to collection under the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq. of the Code of Virginia).*

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