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HOUSE BILL NO. 222

House Amendments in [] — February 10, 2022

A BILL to amend and reenact § 58.1-1817 of the Code of Virginia, relating to installment agreements for payment of taxes.

Patron Prior to Engrossment—Delegate Coyner

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1817 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1817. Installment agreements for the payment of taxes.

A. 1. ~~[The Except as specified in subdivision 2, the]~~ Tax Commissioner is authorized to enter into a written agreement with any taxpayer ~~[filing a return for taxes imposed under Article 10 of Chapter 3 (§ 58.1-400 et seq.)]~~ under which such taxpayer is allowed to satisfy his tax liability in installment payments, if the Tax Commissioner determines such an agreement will facilitate collection.

2. ~~The Tax Commissioner is required to offer to enter into a written agreement with any taxpayer filing a return for taxes imposed under Article 2 of Chapter 3 (§ 58.1-320 et seq.) under which such taxpayer is allowed to satisfy his tax liability in installment payments over a payment period of up to five years on petition by the taxpayer, if the Tax Commissioner determines such an agreement will facilitate collection.~~

B. Except as otherwise provided in this section, any agreement entered into by the Tax Commissioner under subsection A shall remain in effect for the term of the agreement ~~[; not to exceed five years]~~.

The Tax Commissioner may terminate any installment agreement if:

1. Information which the taxpayer provided prior to the date such agreement was entered into was inaccurate or incomplete; or

2. The Tax Commissioner determines that the collection of any tax to which an agreement relates is in jeopardy.

C. ~~If the Tax Commissioner makes a determination that the financial condition of a taxpayer who has entered into an installment agreement under this section has significantly changed, the Tax Commissioner may alter, modify, or terminate such agreement. Such action may be taken only if (i) notice of the action is provided to the taxpayer no later than thirty days prior to the date of such action and (ii) such notice includes the reasons why the Tax Commissioner believes a significant change in the financial condition of the taxpayer has occurred.~~

~~D.~~ The Tax Commissioner may alter, modify, or terminate an installment agreement in the case of the failure of the taxpayer:

1. To pay any installment at the time it is due;

2. To pay any other tax liability at the time it is due;

3. ~~To provide a financial condition update as requested by the Tax Commissioner; or~~

4.3. To file with the Department any required tax or information return during the time period such agreement is in effect.

~~E.D.~~ The Tax Commissioner may alter, modify, or terminate an installment agreement under other exceptional circumstances as he deems appropriate.

ENGROSSED

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