

VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

CHAPTER 352

An Act to amend and reenact § 58.1-342 of the Code of Virginia, relating to income tax liability of certain nonresidents.

[S 284]

Approved April 11, 1998

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-342 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-342. Special cases in which nonresident need not file Virginia return.

A. A nonresident of Virginia who had no actual place of abode in this Commonwealth at any time during the taxable year and commuted on a daily basis from his place of residence in another state to his place of employment in Virginia is hereby relieved of filing an income *tax* return ~~to~~ *with* this Commonwealth for that taxable year provided:

1. His only income from Virginia sources was from salaries and wages;
2. Such salaries and wages were subject to income taxation by the state of his residence under an income tax law substantially similar in principle to this chapter;
3. The laws of such other state contain a provision substantially similar in effect to that contained in § 58.1-332 and applicable to residents of Virginia; and
4. The laws of such other state accord like treatment to a resident of this Commonwealth who commuted on a daily basis from his place of residence in Virginia to his place of employment in such other state.

B. The Department may enter into reciprocal agreements with other states to exempt nonresidents from the Virginia income tax if such other states similarly exempt Virginia residents. Under such reciprocal agreements nonresidents are not required to pay tax or file a return with, nor be subject to withholding by, the reciprocating state on compensation paid in that state *or on income distributed by a trust domiciled in that state.*