

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-1823 of the Code of Virginia, relating to refunds payable upon*
3 *reassessments of tax liability.*

4 [S 543]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-1823 of the Code of Virginia is amended and reenacted as follows:**

8 § 58.1-1823. Reassessment and refund upon the filing of amended return or the payment of an
9 assessment.

10 A. Any person filing a tax return or paying an assessment required for any tax administered by the
11 Department of Taxation may file an amended return with the Department within the later of: (i) three
12 years from the last day prescribed by law for the timely filing of the return; (ii) ~~ninety days~~ *one year*
13 from the final determination of any change or correction in the liability of the taxpayer for any federal
14 tax upon which the state tax is based, provided that the refund does not exceed the amount of the
15 decrease in Virginia tax attributable to such federal change or correction; (iii) two years from the filing
16 of an amended Virginia return resulting in the payment of additional tax, provided that the amended
17 return raises issues relating solely to such prior amended return and that the refund does not exceed the
18 amount of the payment with such prior amended return; or (iv) two years from the payment of an
19 assessment, provided that the amended return raises issues relating solely to such assessment and that
20 the refund does not exceed the amount of such payment. If the Department is satisfied, by evidence
21 submitted to it or otherwise, that the tax assessed and paid upon the original return exceeds the proper
22 amount, the Department may reassess the taxpayer and order that any amount excessively paid be
23 refunded to him. The Department may reduce such refund by the amount of any taxes, penalties and
24 interest which are due for the period covered by the amended return, or any past-due taxes, penalties
25 and interest which have been assessed within the appropriate period of limitations. Any order of the
26 Department denying such reassessment and refund, or the failure of the Department to act thereon within
27 three months shall, as to matters first raised by the amended return, be deemed an assessment for the
28 purpose of enabling the taxpayer to pursue the remedies allowed under this chapter.

29 B. Notwithstanding the statute of limitations established in this section, any retired employee of a
30 political subdivision of the Commonwealth, established pursuant to Chapter 627 of the 1958 Acts of
31 Assembly, may file an amended individual income tax return until May 1, 1990, for taxable years
32 beginning on and after January 1, 1985, and before January 1, 1986, for taxes paid on retirement income
33 exempt pursuant to § 58.1-322.

34 C. Notwithstanding the statute of limitations contained in subsection A, any individual who claimed
35 an age subtraction on his 1990 individual income tax return may file an amended individual income tax
36 return on July 1, 1994, for taxable years beginning on and after January 1, 1990, and ending before
37 January 1, 1991, to claim an income deduction as provided in § 58.1-322 D 5 in lieu of the income
38 subtraction originally claimed.

ENROLLED

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