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SENATE JOINT RESOLUTION NO. 347
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Rules
on February 3, 2003)

(Patron Prior to Substitute—Senator Hanger)

Establishing a work group to study the Streamlined Sales Tax Project agreement and to review the work of the Joint Subcommittee to Study and Revise Virginia's State Tax Code. Report.

WHEREAS, to simplify and facilitate taxation of interstate sales, there has been an ongoing study of the sales and use tax at the national level (known as the Streamlined Sales Tax Project) for the past several years; and

WHEREAS, an agreement was finalized among the states participating in the Project in November of 2002; and

WHEREAS, Virginia has participated in the Project only since June of 2002; and

WHEREAS, further examination of, impact of, and comparison of the agreement with Virginia's laws regarding sales and use tax is needed in order for the General Assembly to decide whether Virginia should come into compliance with the agreement; and

WHEREAS, major issues relative to proposed tax restructuring have been identified and studied by a joint subcommittee, and it appears that a smaller work group should be created to review the work of the joint subcommittee and make policy recommendations for consideration at the 2004 Session of the General Assembly; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a work group be established to study the Streamlined Sales Tax Project agreement and to review the work of the Joint Subcommittee to Study and Revise Virginia's State Tax Code. The work group shall consist of 8 members that include 6 legislative members and 2 ex officio members. Members shall be appointed as follows: the Chairman of the Senate Finance Committee, or his designee, and 2 members of the Senate appointed by the Chairman of the Senate Finance Committee; the Chairman of the House Finance Committee, or his designee, and 2 members of the House of Delegates appointed by the Chairman of the House Finance Committee; and the Tax Commissioner and the Secretary of Finance, or their designees, to serve as ex officio members without voting privileges.

The work group shall review the work and findings of the Joint Subcommittee to Study and Revise Virginia's State Tax Code as well as previous studies that were considered as a part of the joint subcommittee's work. The work group shall make recommendations for consideration at the 2004 Session of the General Assembly on the broad subject of state and local state restructuring and whether the cost of certain services are to be assumed, either in whole or in part, by the state or localities.

In conducting its study, the work group shall thoroughly examine the Streamlined Sales Tax Project agreement and determine what changes in Virginia's sales and use tax laws need to be enacted in order for Virginia to come into compliance with the agreement should the General Assembly decide to do so.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the work group shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the staffs of the Senate Finance and House Appropriations Committees and the Department of Taxation. All agencies of the Commonwealth shall provide assistance to the work group for this study, upon request.

The work group shall be limited to 4 meetings in 2003, and the direct costs of this study shall not exceed \$6,000 without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the work group and the Senate Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

At the option of a majority of the Senate members appointed to the work group or a majority of the members of the House of Delegates appointed to the work group, no recommendation of the work group shall be adopted without the approval of a majority of such members of the Senate and a majority of such members of the House of Delegates. For the purpose of this provision, a "majority" constitutes a majority of the members present and voting at the meeting of the work group.

The work group shall complete its meetings by November 30, 2003, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2004 Regular Session of the General Assembly. The executive summary shall state whether the work group intends to submit to the Governor and the General Assembly a report of its findings and recommendations. The executive summary and the report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's

60 website.

61 Implementation of this resolution is subject to subsequent approval and certification by the Joint
62 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
63 delay the period for the conduct of the study, or authorize additional meetings during 2003.