

VIRGINIA ACTS OF ASSEMBLY -- 2011 SESSION

CHAPTER 614

An Act to amend the Code of Virginia by adding a section numbered 30-133.2, relating to the Auditor of Public Accounts reviewing the distribution of collections of retail sales and use taxes.

[S 1271]

Approved March 25, 2011

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 30-133.2 as follows:

§ 30-133.2. Annual review of the collection and distribution of retail sales and use taxes.

As part of the annual audit of the Department of Taxation, the Auditor of Public Accounts shall perform a review of the collection and distribution of the Retail Sales and Use Tax (§ 58.1-600 et seq.), with an important focus being the collection and distribution of local retail sales and use taxes. In addition to all other responsibilities and duties required under law, the Auditor of Public Accounts shall, promptly upon completion of the annual review, issue a report to the Chairmen of the House Committee on Appropriations, the House Committee on Finance, the Senate Committee on Finance, and the Commissioner of the Department of Taxation. All actions or requests for tax information by the office of the Auditor of Public Accounts for the purpose of conducting the review shall be deemed to be performed in the line of duty for purposes of § 58.1-3.

2. That for the Commonwealth's fiscal years ending June 30, 2011, and June 30, 2012, the review to be performed by the Auditor of Public Accounts pursuant to the provisions of this act shall include but shall not be limited to the following:

a. A review of the Department of Taxation's policies and procedures for the collection and distribution of the local retail sales and use tax pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 of the Code of Virginia;

b. A review of procedures employed by local officials to identify entities that have not paid retail sales and use taxes and how the Department of Taxation could coordinate and assist or work with local officials to collect and accurately distribute these collections;

c. An evaluation of the audits performed by the Department of Taxation on retail sales and use tax collection and distribution;

d. An evaluation of the Department of Taxation's procedures for identifying the proper county or city for distributions of local retail sales and use taxes;

e. A review of the Department of Taxation's coordination and work with local officials to determine what information both groups can share and how they coordinate activities to enhance the collections and accuracy of distribution of local retail sales and use taxes; and

f. Recommendations to improve and enhance the Department of Taxation's and the local officials' policies and procedures for the collection and distribution of retail sales and use taxes.

3. That beginning with the Commonwealth's fiscal year ending June 30, 2013, and thereafter, in furtherance of the review required pursuant to the provisions of this act, the Auditor of Public Accounts shall recommend annual benchmarks for evaluating the effectiveness of the Department of Taxation's local retail sales and use tax collection and distribution process to the Chairmen of the House Committee on Appropriations, the House Committee on Finance, the Senate Committee on Finance, and the Commissioner of the Department of Taxation.