

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 1271]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 30-133.2 as follows:**8 *§ 30-133.2. Annual review of the collection and distribution of retail sales and use taxes.*

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

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

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

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

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

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

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

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

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

ENROLLED

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