

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 An Act to amend and reenact § 58.1-344.2 of the Code of Virginia and to amend the Code of Virginia
 3 by adding a section numbered 58.1-344.4, relating to the Virginia College Savings Plan; deposit of
 4 income tax refunds.

5 [H 2145]

6 Approved

7 Be it enacted by the General Assembly of Virginia:

8 1. That § 58.1-344.2 of the Code of Virginia is amended and reenacted and that the Code of
 9 Virginia is amended by adding a section numbered 58.1-344.4, as follows:

10 § 58.1-344.2. Voluntary contributions; cost of administration.

11 For all voluntary contributions made on individual income tax returns for taxable years beginning on
 12 or after January 1, 2003, *except those made pursuant to § 58.1-344.4*, the Department of Taxation may
 13 retain up to five percent of all voluntary contributions made for the taxable year, but not to exceed
 14 \$50,000 for any taxable year, for its costs in administering voluntary contributions. The amount
 15 otherwise payable to each organization for which a voluntary contribution has been designated shall be
 16 reduced on a pro rata basis in accordance with the amount of voluntary contributions designated to the
 17 specific organization in the previous taxable year as compared to the total of all voluntary contributions
 18 designated to organizations in the previous taxable year.

19 § 58.1-344.4. Voluntary contributions of refunds into Virginia College Savings Plan accounts.

20 A. If an individual is entitled to an income tax refund for the taxable year, that individual may
 21 designate on his Virginia individual income tax return a contribution to one or more Virginia College
 22 Savings Plan accounts established under Chapter 4.9 (§ 23-38.75 et seq.) of Title 23, in the amount of
 23 the entire individual income tax refund or a portion thereof.

24 B. 1. The Department of Taxation shall send each contribution made pursuant to subsection A to the
 25 Virginia College Savings Plan with the following information:

26 a. The amount of the individual income tax refund or that portion of the refund that the individual
 27 has chosen to contribute;

28 b. The taxpayer's name, Social Security number or taxpayer identification number, address, and
 29 telephone number; and

30 c. The Virginia College Savings Plan account number or numbers into which the contributions will
 31 be deposited.

32 2. If a contribution to a Virginia College Savings Plan account is designated in an individual income
 33 tax return filed jointly by a husband and wife, the Department of Taxation shall send the information
 34 described in subdivision 1 for both the husband and wife to the Virginia College Savings Plan.

35 C. 1. If the taxpayer owns a single Virginia College Savings Plan account, the Virginia College
 36 Savings Plan shall deposit the contribution made pursuant to subsection A into that account.

37 2. If the taxpayer owns more than one Virginia College Savings Plan account, the Virginia College
 38 Savings Plan shall allocate the contribution made pursuant to subsection A between or among the
 39 accounts in equal amounts, or as otherwise designated by the taxpayer.

40 3. If the taxpayer does not own an existing Virginia College Savings Plan account and does not wish
 41 to open an account, contributions made pursuant to subsection A shall be returned to the taxpayer by
 42 the Virginia College Savings Plan.

43 D. For the purpose of determining interest on an overpayment or refund under § 58.1-1833, no
 44 interest shall accrue after the Department of Taxation sends the contribution to the Virginia College
 45 Savings Plan.

46 E. Any taxpayer designating that a refund be contributed to a Virginia College Savings Plan account
 47 shall, by making such designation, be deemed to authorize the Department of Taxation to provide all
 48 necessary information, including the information specified in subdivision B 1, to the Virginia College
 49 Savings Plan.

50 2. That the Department of Taxation and the Virginia College Savings Plan shall enter into a
 51 memorandum of understanding to establish how any reasonable and necessary costs incurred by
 52 the Department of Taxation as a result of this act may be recovered from the Virginia College
 53 Savings Plan.

54 3. That the provisions of this act shall be effective for taxable years beginning on or after January
 55 1, 2014.