

DEPARTMENT OF TAXATION

2016 Fiscal Impact Statement

1. **Patron** J. Chapman Petersen
3. **Committee** Passed House and Senate
4. **Title** Local Tax Administration; Electronic Dissemination of Tax Documents

2. **Bill Number** SB 690
House of Origin:
 Introduced
 Substitute
 Engrossed
- Second House:**
 In Committee
 Substitute
 X **Enrolled**

5. Summary/Purpose:

This bill would authorize treasurers, commissioners of the revenue, and other local tax officials to transmit, with the written consent of the taxpayer, tax bills and other tax documents by electronic means chosen by the taxpayer, including facsimile transmission or electronic mail, in lieu of sending the bill through first class mail. The authorization would be notwithstanding the provisions of the *Va. Code* regarding 1) notices regarding changes in the assessment of real estate; 2) filing returns for Tangible Personal Property Tax, Machinery and Tools Tax, and Merchants' Capital Tax; and 3) alternative method of filing returns for motor vehicles, trailers, and boats.

The bill also would provide that local tax officials, with the consent of the taxpayer, may convey tax bills and other tax documents by allowing the taxpayer to access his information online from a database on the locality's or official's website.

Under current law, upon the written consent of the taxpayer, treasurers may transmit local tax bills by electronic means chosen by the taxpayer in lieu of sending the bill through first class mail. Additionally, local treasurers, with the taxpayer's consent, may transmit local tax bills by allowing the taxpayer to view his bill online from a database on the treasurer's website.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.
7. **Fiscal Impact:** Unknown.
8. **Fiscal implications:**

This bill would have no impact on state or local revenues. The impact of this bill on local administrative costs is not known.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No.

11. Other comments:

Generally

The Va. Code requires local tax officials to provide notices or tax documents to taxpayers by mail in certain situations. For example, notices that real estate parcels are being removed from special assessment for land preservation because of unpaid delinquent taxes. Additionally, under current law, whenever there is a reassessment of real estate, or any change in the assessed value of any real estate, the officer charged with the assessment of real estate must provide notice by mail to each property owner whose assessment has been changed. The notice must currently be sent by mail at least 15 days prior to the date of a hearing to protest such change in assessment.

Local Tax Bills

Local treasurers are generally required to send every taxpayer assessed with taxes and levies a bill setting forth the amount due no later than 14 days prior to the due date of the taxes. The treasurer may elect not to send a bill amounting to \$20 or less. If the taxes are not paid by the due date, the local treasurer must send the taxpayer a past-due tax bill.

As an alternative and with the taxpayer's written consent, local treasurers may transmit local tax bills by electronic means chosen by the taxpayer, including facsimile transmission or electronic mail, in lieu of sending the bill by first-class mail. The treasurer must maintain a copy of the bill with the date of transmission until the bill is satisfied or removed from the treasurer's books by operation of law. Bills transmitted electronically have the same force and effect as mailing by first-class mail. Additionally, local treasurers, with the taxpayer's consent, may transmit local tax bills by allowing the taxpayer to view his bill online from a database on the treasurer's website.

Proposal

This bill would expand the authority of treasurers, commissioners of the revenue, and other local tax officials to transmit, with the written consent of the taxpayer, other tax documents by electronic means chosen by the taxpayer, including facsimile transmission or electronic mail, in lieu of sending the bill through first class mail.

The authorization would be notwithstanding possible conflicting specific provisions of the Va. Code regarding 1) notices regarding changes in the assessment of real estate; 2) filing returns for Tangible Personal Property Tax, Machinery and Tools Tax, and Merchants' Capital Tax; and 3) alternative method of filing returns for motor vehicles, trailers, and boats.

The bill also would provide that local tax officials, with the consent of the taxpayer, may convey tax bills and other tax documents by allowing the taxpayer to access his information online from a database on the locality's or official's website. The bill would provide that the consent of the taxpayer may be obtained electronically, subject to reasonable verification of the taxpayer's identity.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 3/2/2016 AM
DLAS File Name: SB690FER161