

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding in Article 3 of Chapter 18 of Title 58.1 a section*
3 *numbered 58.1-1840.2, relating to Virginia Tax Amnesty Program.*

4 [S 1438]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding in Article 3 of Chapter 18 of Title 58.1 a**
8 **section numbered 58.1-1840.2 as follows:**9 **§ 58.1-1840.2. Virginia Tax Amnesty Program.**10 *A. There is hereby established the Virginia Tax Amnesty Program (the Program).*11 *B. The Virginia Tax Amnesty Program shall be administered by the Department. Any taxpayer*
12 *required to file a return or to pay any tax administered or collected by the Department shall be eligible*
13 *to participate in the Program, subject to the requirements in this section and guidelines established by*
14 *the Tax Commissioner. The Tax Commissioner may require participants in the Program to complete an*
15 *amnesty application and such other forms as he may prescribe and to furnish any additional information*
16 *he deems necessary to make a determination regarding the validity of such amnesty application.*17 *C. The Tax Commissioner shall establish guidelines and rules for the procedures for participation*
18 *and any other rules that are deemed necessary by the Tax Commissioner. The guidelines and rules*
19 *issued by the Tax Commissioner regarding the Program shall be exempt from the Administrative*
20 *Process Act (§ 2.2-4000 et seq.).*21 *D. The Program shall have the following features:*22 *1. The Program shall be conducted during the period July 1, 2017, through June 30, 2018, and shall*
23 *not last less than 60 nor more than 75 days. The exact dates of the Program shall be established by the*
24 *Tax Commissioner.*25 *2. All civil or criminal penalties assessed or assessable, as provided in this title, including the*
26 *addition to tax under §§ 58.1-492 and 58.1-504, and one-half of the interest assessed or assessable, as*
27 *provided in this title, which are the result of nonpayment, underpayment, nonreporting, or*
28 *underreporting of tax liabilities, shall be waived upon receipt of the payment of the amount of taxes and*
29 *interest owed, with the following exceptions:*30 *a. No taxpayer currently under investigation or prosecution for filing a fraudulent return or failing*
31 *to file a return with the intent to evade tax shall be eligible to participate in the Program.*32 *b. No taxpayer shall be eligible to participate in the Program with respect to any assessment*
33 *outstanding for which the date of assessment is less than 90 days prior to the first day of the Program*
34 *or with respect to any liability arising from the failure to file a return for which the due date of the*
35 *return is less than 90 days prior to the first day of the Program.*36 *c. No taxpayer shall be eligible to participate in the Program with respect to any tax liability from*
37 *the income taxes imposed by §§ 58.1-320, 58.1-360, and 58.1-400, if the tax liability is attributable to*
38 *taxable years beginning on and after January 1, 2016.*39 *E. For the purpose of computing the outstanding balance due because of the nonpayment,*
40 *underpayment, nonreporting, or underreporting of any tax liability that has not been assessed prior to*
41 *the first day of the Program, the rate of interest specified for omitted taxes and assessments under*
42 *§ 58.1-15 shall not be applicable. Instead, the Tax Commissioner shall establish one interest rate to be*
43 *used for each taxable year that approximates the average "underpayment rate" specified under § 58.1-15*
44 *for the five-year period immediately preceding the Program.*45 *F. 1. If any taxpayer eligible for amnesty under this section and under the rules and guidelines*
46 *established by the Tax Commissioner retains any outstanding balance after the close of the Program*
47 *because of the nonpayment, underpayment, nonreporting, or underreporting of any tax liability eligible*
48 *for relief under the Program, then such balance shall be subject to a 20 percent penalty on the unpaid*
49 *tax. This penalty is in addition to all other penalties that may apply to the taxpayer.*50 *2. Any taxpayer who defaults upon any agreement to pay tax and interest arising out of a grant of*
51 *amnesty is subject to reinstatement of the penalty and interest forgiven and the imposition of the penalty*
52 *under this section as though the taxpayer retained the original outstanding balance at the close of the*
53 *Program.*54 *G. For the purpose of implementing the Program, the Department is exempt from subsection B of*
55 *§ 2.2-2016.1 and §§ 2.2-2018.1, 2.2-2020, and 2.2-2021 pertaining to the Virginia Information*
56 *Technologies Agency's project management and procurement oversight.*