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SENATE BILL NO. 1337

Offered January 9, 2019

Prefiled January 8, 2019

A BILL to amend the Code of Virginia by adding a section numbered 58.1-638.4, relating to collection of state sales and use tax by remote sellers; disposition of revenue; report.

Patron—Peake

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-638.4 as follows:

§ 58.1-638.4. *Disposition of remote sales and use tax revenue.*

The state sales and use tax collected from remote sellers and marketplace facilitators that register for the first time after the effective date of any legislation adopted by the General Assembly that requires the remittance of state sales and use tax by remote sellers and marketplace facilitators shall be distributed to a special fund in the state treasury called the Online Revenue Collection Fund (the Fund). Revenues from the Fund shall be used to supplement the local distribution of state sales and use tax as set forth in subsection B of § 58.1-638.

2. That the Commissioner of the Department of Taxation shall report to the Secretary of Finance and the Chairmen of the House Committees on Appropriation and Finance and the Senate Committee on Finance no later than September 1 following the first full fiscal year during which revenues are deposited into the Online Revenue Collection Fund created pursuant to § 58.1-638.4 of the Code of Virginia, as created by this act. Such report shall indicate the total deposits into such Fund and shall calculate the amount by which the state sales and use tax rates set forth in §§ 58.1-603 and 58.1-604 of the Code of Virginia could be reduced and replaced with revenues from the Online Revenue Collection Fund so as to make such rate reduction revenue neutral.

INTRODUCED

SB1337