

DEPARTMENT OF TAXATION

2021 Fiscal Impact Statement

1. **Patron** Carrie E. Coyner

3. **Committee** Senate Finance and Appropriations

4. **Title** Online Portal for Tax Practitioners

2. **Bill Number** HB 2060

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require the Department of Taxation ("the Department") to analyze the prospect of establishing an online portal for tax practitioners who possess a valid Power of Attorney and Declaration of Representative form to access client information. In its analysis, the Department would be required to evaluate comparable services offered by the Internal Revenue Service or other states, and cybersecurity concerns associated with providing such services. This bill would require the Department to identify the estimated costs associated with the creation of such a portal, and report its findings and recommendations to the Chairmen of the House Committee on Appropriations, House Committee on Finance, and Senate Committee on Finance and Appropriations no later than December 1, 2021.

If enacted during the 2021 General Assembly, Special Session I, this bill would become effective July 1, 2021.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

The Department considers implementation of this bill as routine and does not require additional funding.

Revenue Impact

This bill would have no impact on General Fund revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Proposed Legislation

This bill would require the Department of Taxation (“the Department”) to analyze the prospect of establishing an online portal for tax practitioners who possess a valid Power of Attorney and Declaration of Representative form to access client information. In its analysis, the Department would be required to evaluate comparable services offered by the Internal Revenue Service or other states, and cybersecurity concerns associated with providing such services. This bill would require the Department to identify the estimated costs associated with the creation of such a portal, and report its findings and recommendations to the Chairmen of the House Committee on Appropriations, House Committee on Finance, and Senate Committee on Finance and Appropriations no later than December 1, 2021.

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cc : Secretary of Finance

Date: 2/15/2021 JLOF
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