

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 643

An Act to amend and reenact § 58.1-1817 of the Code of Virginia, relating to installment agreements for payment of taxes.

[H 1369]

Approved March 26, 2023

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1817 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1817. Installment agreements for the payment of taxes.

A. 1. The Tax Commissioner is required to offer to enter into a written agreement with any taxpayer filing a return for taxes imposed under Article 2 (§ 58.1-320 et seq.) of Chapter 3 under which such taxpayer is allowed to satisfy his tax liability in installment payments over a payment period of up to five years on petition by the taxpayer, if the Tax Commissioner determines such an agreement will facilitate collection.

~~The~~ *2. Except as identified in subdivision 1, the Tax Commissioner is authorized to enter into a written agreement with any taxpayer under which such taxpayer is allowed to satisfy his tax liability in installment payments, if the Tax Commissioner determines such an agreement will facilitate collection.*

B. Except as otherwise provided in this section, any agreement entered into by the Tax Commissioner under subsection A shall remain in effect for the term of the agreement.

The Tax Commissioner may terminate any installment agreement if:

1. Information ~~which~~ that the taxpayer provided prior to the date such agreement was entered into was inaccurate or incomplete; or

2. The Tax Commissioner determines that the collection of any tax to which an agreement relates is in jeopardy.

C. If the Tax Commissioner makes a determination that the financial condition of a taxpayer who has entered into an installment agreement under this section has significantly changed, the Tax Commissioner may alter, modify, or terminate such agreement. Such action may be taken only if (i) notice of the action is provided to the taxpayer no later than thirty days prior to the date of such action and (ii) such notice includes the reasons why the Tax Commissioner believes a significant change in the financial condition of the taxpayer has occurred.

~~D.~~ *The Tax Commissioner may alter, modify, or terminate an installment agreement in the case of the failure of the taxpayer:*

1. To pay any installment at the time it is due;

2. To pay any other tax liability at the time it is due;

3. To provide a financial condition update as requested by the Tax Commissioner; or

4. 3. To file with the Department any required tax or information return during the time period such agreement is in effect.

~~E.~~ *D. The Tax Commissioner may alter, modify, or terminate an installment agreement under other exceptional circumstances as he deems appropriate.*

2. That the Department of Taxation (the Department) shall convene a working group to study current federal and state policies concerning installment agreements and to make recommendations regarding how the Commonwealth's policies may better align with the installment agreement policies adopted by the Internal Revenue Service. Such working group shall include two members selected by the Taxation Section of the Virginia Bar Association, two members selected by the Virginia Society of Certified Public Accountants, and two members selected by the Virginia Society of Enrolled Agents. The Division of Legislative Services shall assist the working group. The Department's working group shall complete its meetings by October 1, 2023, and submit a report of its findings and recommendations to the Chairmen of the House Committee on Finance, the House Committee on Appropriations, and the Senate Committee on Finance and Appropriations by November 15, 2023.