

LD7377673

SENATE BILL NO. 831

Offered January 18, 1995

A BILL authorizing the Tax Commissioner to determine which retired federal and military taxpayers missed the November 1, 1994, deadline, because of circumstances beyond their control, for filing the forms necessary to participate in the Harper v. Virginia Department of Taxation case settlement; authorizing the Tax Commissioner to enter into settlement agreements with such taxpayers in an amount equal to the amount agreed to with the retired federal and military taxpayers who met the November 1, 1994, deadline; and establishing a fund from which such late settlement agreement amounts shall be paid.

Patrons—Holland, C.A., Hawkins, Norment and Walker; Delegate: Croshaw

Referred to the Committee on Finance

Whereas, during its Special Session in July 1994, the General Assembly passed legislation authorizing the Tax Commissioner to enter into settlement agreements with retired federal and military Virginia taxpayers affected by the Harper v. Virginia Department of Taxation case; and

Whereas, such legislation contained a November 1, 1994, deadline for the affected taxpayers to file certain forms with the Department of Taxation in order to participate in the settlement; and

Whereas, a large number of such taxpayers missed the deadline for filing, thereby missing the opportunity to participate in the settlement; and

Whereas, the General Assembly wants as many of the affected taxpayers as possible to participate in the settlement ; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. The Tax Commissioner is authorized to make settlement payments to certain retired federal and military taxpayers, as originally authorized in Chapter 5 of the Acts of Assembly, 1994-Special Session I. The Tax Commissioner shall determine which of such taxpayers missed the November 1, 1994, deadline for filing the necessary forms with the Department of Taxation in order to participate in the Harper case settlement because of circumstances beyond their control. The burden of proof shall be on the taxpayer. Any form received after November 1, 1994, but prior to January 30, 1995, shall be reviewed by the Tax Commissioner and the taxpayer shall be given the opportunity to explain in writing why the form was late. The Tax Commissioner shall make a final determination and notify all such taxpayers no later than February 1, 1995. On a form provided by the Tax Commissioner, each taxpayer allowed to participate in the final settlement shall notify the Department by February 17, 1995, whether he accepts or rejects the settlement offer.

§ 2. The settlement offer for any taxpayer who satisfies the burden of proof and thereby is allowed to participate in the final settlement shall be 76.5459 percent of such taxpayer's disputed refund, as defined in Chapter 5 of the Acts of Assembly, 1994-Special Session I. The Tax Commissioner shall calculate the total amount of money needed to fund the settlement offers and report to the Chairmen of the Senate Finance Committee and the House Finance and Appropriations Committees by February 21, 1995.

§ 3. Payments may be made directly from a special fund or from a trust or other legal entity established by the Tax Commissioner to administer the payments. Subject to appropriation by the General Assembly, the initial appropriation shall be deposited in the special fund, trust or other legal entity on or before April 15, 1995, pending disbursement pursuant to this section. Subject to appropriation by the General Assembly, on each succeeding July 1 through 1998, an amount shall be deposited in the special fund, trust or other legal entity pending disbursement. The first of five annual disbursements shall be made to the taxpayers on or before May 15, 1995, with each of the remaining four disbursements made on March 31 through 1999, in accordance with subdivision C 4 of the second enactment of Chapter 5 of the Acts of Assembly, 1994-Special Session I. All earnings on investment of the funds shall be held in the special fund, trust or other legal entity established by the Tax Commissioner and reinvested until the final payments to taxpayers are made on March 31, 1999.

§ 4. Any amount received by a taxpayer pursuant to this act shall be subject to debt collection pursuant to Article 21 (§ 58.1-520 et seq.) of Chapter 1 of Title 58.1.

2. That an emergency exists and this act is in force from its passage.

INTRODUCED

SB831