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HOUSE BILL NO. 1368

Offered January 11, 2023

Prefiled July 18, 2022

A BILL to amend the Code of Virginia by adding in Title 30 a chapter numbered 66, consisting of sections numbered 30-421 through 30-425, relating to the Advisory Tax Administration Commission; established; executive summary.

Patron—Coyner

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 30 a chapter numbered 66, consisting of sections numbered 30-421 through 30-425, as follows:

CHAPTER 66.

ADVISORY TAX ADMINISTRATION COMMISSION.

§ 30-421. Advisory Tax Administration Commission; purpose.

The Advisory Tax Administration Commission (the Commission) is established in the legislative branch of state government for the purpose of reviewing and providing advisory recommendations for the improvement of the administration and implementation of any rules, regulations, or guidelines promulgated by the Department of Taxation for existing or new provisions of Title 58.1. In carrying out its purpose, the Commission shall provide ongoing advisory feedback on tax rules, regulations, and guidelines published by the Department of Taxation in the Commonwealth, including reviewing such rules, regulations, and guidelines to ensure they are consistent with legislative intent, providing advisory recommendations to the Department of Taxation for improving such rules, regulations, and guidelines, and providing advisory recommendations for legislative changes to effect such improvements to ensure transparency and proper administration of tax policy, programs, and services in the Commonwealth.

The Commission may coordinate with other agencies and entities of the Commonwealth, and may request input and participation from licensed enrolled agents, licensed certified public accountants, and small business stakeholders in the Commonwealth, as it develops and proposes advisory recommendations related to rules, regulations, and guidelines issued by the Department of Taxation.

§ 30-422. Membership; terms; vacancies; chair and vice-chair; quorum; meetings; voting on advisory recommendations.

The Commission shall consist of 15 members, including 12 legislative members, who shall be appointed as follows: seven members of the House of Delegates, at least four of whom shall be members of the House Committee on Finance, to be appointed by the Speaker of the House of Delegates, and five members of the Senate, at least three of whom shall be members of the Senate Committee on Finance and Appropriations, to be appointed by the Senate Committee on Rules.

The Commission shall elect a chair and a vice-chair from among its legislative membership. The chair shall appoint three non-legislative members to the Commission who are actively licensed enrolled agents or certified public accountants in the Commonwealth.

Members of the Commission shall serve terms coincident with their terms of office. Members may be reappointed. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired term. Vacancies shall be filled in the same manner as the original appointment.

A majority of the members of the Commission shall constitute a quorum. Meetings of the Commission shall be held at the call of the chair or whenever the majority of the members so request. Any advisory recommendations of the Commission shall be adopted upon the majority vote of the members.

§ 30-423. Compensation; expenses.

Members of the Commission shall receive such compensation as provided in § 30-19.12. All members shall be reimbursed for reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Compensation to members of the General Assembly for attendance at official meetings of the Commission shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate, as applicable. All other compensation and expenses shall be paid from existing appropriations to the Commission or, if unfunded, shall be approved by the Joint Rules Committee.

§ 30-424. Powers and duties of the Commission; executive summary.

A. The Commission shall have the following powers and duties:

1. To undertake a systematic review of any rules, regulations, or guidelines published by the Department of Taxation after the most recent session of the General Assembly and to collect and

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59 analyze information and data necessary to accomplish the purpose set forth in § 30-421;

60 2. To adopt a schedule for monitoring, evaluating, and reviewing the implementation and
61 administration of any new tax rules, regulations, and guidelines issued by the Department of Taxation;

62 3. To provide advisory recommendations on such tax rules, regulations, and guidelines to ensure they
63 achieve the intended policy purpose of legislation from which they are developed;

64 4. To provide advisory recommendations on further changes to Title 58.1 that would promote
65 transparency for taxpayers of the Commonwealth and clarify any potential inconsistencies between Title
66 58.1 and the rules, regulations, and guidelines issued by the Department of Taxation; and

67 5. To produce an annual executive summary for submission to the General Assembly, the Governor,
68 and the Tax Commissioner on its advisory recommendations for amendments to the Code and proposed
69 changes to any rules, regulations, or guidelines issued by the Department of Taxation to achieve the
70 intended policy purposes of the provisions of Title 58.1.

71 B. The chair shall submit to the General Assembly and the Governor the annual executive summary
72 of the interim activity and work of the Commission no later than the first day of each regular session of
73 the General Assembly. The executive summary shall be submitted as provided in the procedures of the
74 Division of Legislative Automated Systems for the processing of legislative documents and reports and
75 shall be posted on the General Assembly's website.

76 **§ 30-425. Staffing.**

77 Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates or
78 the Office of the Clerk of the Senate as may be appropriate for the house in which the chair of the
79 Commission serves. The Division of Legislative Services shall provide legal, research, policy analysis,
80 and other services as requested by the Commission. Technical assistance shall be provided by the staffs
81 of the House Committee on Finance and the Senate Committee on Finance and Appropriations. The
82 Commission may request and shall, upon such request, receive from the Department of Taxation and
83 any department, division, board, bureau, commission, authority, or other agency created by the
84 Commonwealth or to which the Commonwealth is a part, or from any political subdivision of the
85 Commonwealth, cooperation and assistance in the performance of its duties.

86 **2. That, for its first year of existence, if the Commission is not funded by a separate appropriation**
87 **in the appropriation act, the Commission may be funded from the operating budgets of the Clerk**
88 **of the House of Delegates and the Clerk of the Senate upon the approval of the Joint Rules**
89 **Committee. If the Commission is not funded by a separate appropriation in the appropriation act**
90 **for any year thereafter, this chapter shall expire on July 1 of the fiscal year in which the**
91 **Commission fails to receive such funding.**