

# Virginia Commissioners of the Revenue Association



## 2022 Legislative Agenda

Virginia's elected Commissioners of the Revenue are making every effort to better serve the Commonwealth and its citizens by providing efficient and innovative revenue administration at both the state and local levels.

In brief, we are committed to providing services to the citizens in each of our localities while simultaneously enhancing state and local revenues at little to no cost.

We are seeking your consideration and support of the following legislative priorities:

### **Item #1 – Funding for State Share of Authorized Positions**

By statute, funding for state approved Commissioner of the Revenue deputy positions is provided jointly by the Commonwealth and local governments on a 50%-50% basis.

Since 2002, state budget shortfalls have resulted in a \$3.0 million deficit in the state share of funding for 324 deputy positions. This deficit represents 45% of 723 state authorized positions in commissioners' offices. This has resulted in positions that have been either unfunded or underfunded. Localities have been forced to absorb the deficit or leave positions vacant.

In 2020 we requested that the Commonwealth begin to address this issue by restoring the state share (50%) of underfunded positions in FY21 and FY22 and to begin restoring unfunded positions by 10% in FY21 and FY22. The General Assembly provided refunding support for approximately 100% of underfunded positions and 10% of unfunded positions in FY22.

We request that the Commonwealth complete this process by supporting the following initiative:

- Funding for 154 deputy positions that have *been unfunded since 2002*.

	<u>FY23</u>	<u>FY24</u>
Approximate cost	<b>\$1,394,464</b>	<b>\$2,450,060</b>

(over)

## **Item #2 – Parity w/state employees on compensation**

The Commissioners of the Revenue Association also supports ongoing efforts to ensure that all constitutional officers are in parity with compensation adjustments provided to classified state employees.

### **WE SUPPORT**

**HB7 / SB634** *Transient occupancy tax; supporting documentation.*

These bills seek to amend § 58.1-3826 to require *accommodations intermediaries* to provide localities with sufficient information to identify the accommodation location address and gross receipts on which tax was derived as accommodations providers are required to do.

In 2021 SB1398 provided that retail sales and hotel taxes on transient room rentals shall be computed on the basis of the total charges or the total price paid for the use or possession of the room. For those cases in which a hotel or similar establishment contracts with an *intermediary* to facilitate the sale of the room and the intermediary charges the customer for the room and such facilitation efforts. The bill requires the intermediary to separately state the taxes on the bill or invoice provided to the customer and to collect the taxes based upon the total charges or the total price paid for the use or possession of the room. Name of the provider/intermediary, address, gross receipts and number of nights.

**HB1239** *Tangible personal property, machinery and tools, and merchants' capital* article 1 This bill changes the classification system to allow for lowering the vehicle tax rate.

Due to the unprecedented appreciation of used vehicle values during COVID-19, this bill creates a separate classification of personal property for vehicles and permits local governing bodies to adopt a lower personal property tax rate for this class.

**HB368** *Refunds of local taxes; authority of treasurer.* Refunds of local taxes; authority of treasurer. Increases from \$5,000 to \$10,000 the maximum amount that the governing body of a locality may authorize its treasurer to approve and issue for a refund of taxes paid as a result of an erroneous tax assessment.

**HB33, HB179 / SB186** *Permanent farm use placard; an owner or lessee of vehicle claiming farm use to obtain.*

### **WE OPPOSE**

**SB39 / HB1262** *Constitutional officers; form of ballot, party identification of candidates on ballots*

See attached opposition summary.

**HB274 / SB553** *Sales and transient occupancy taxes; broadens definition of accommodations intermediaries.*

**HB518 / SB651** *Sales and transient occupancy taxes; accommodations intermediaries.*

We support uniformity and fairness in the application of the local transient occupancy tax but object to any market advantage afforded to either accommodations intermediaries or providers in the application of the transient occupancy tax.

(January 24, 2022)