



## Southeast State & Local Tax: Important Developments - March 2017

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### VIRGINIA

This legislative roundup summarizes important state and local tax developments enacted by the 2017 General Assembly, Regular Session. For additional details concerning any tax legislation, please contact [Stephanie Lipinski Galland](#) or [Kyle Wingfield](#).

- **Tax Amnesty.** House Bill 2246 authorizes the Department of Taxation to oversee a Tax Amnesty Program for a period ranging between 60 and 75 days between July 1, 2017 and June 30, 2018. All penalties and 50% of the interest would be waived upon payment of the taxpayer's remaining balance. At the conclusion of the amnesty period, any remaining amnesty-qualified liabilities would be assessed an additional 20% penalty. Taxpayers who are under criminal or civil investigation are not eligible for amnesty. Also, amnesty will not apply to assessments made within 90 days of the start of amnesty. The Department will issue additional guidelines regarding the Tax Amnesty Program. [H.B. 2446, Leg. 2017 \(Va. 2017\)](#); see [Impact Statement](#). Virginia's last tax amnesty program was conducted between October 7, 2009 and December 5, 2009. See [Va. P.D. 09-140](#) (2009 Tax Amnesty Guidelines).
- **Tax Credits – Cap on Historic Rehabilitation Credits.** House Bill 2460 amends and re-enacts §58.1-339.2 of the Code of Virginia by prohibiting a taxpayer from claiming more than \$5 million in Historic Rehabilitation Tax Credits for a taxable year. Taxpayers with credit amounts in excess of \$5 million would be able to carry forward the excess and claim the credit in future taxable years within the credit's current ten-year carryover period or until the full credit is used, whichever occurs first. The legislation is expected to be signed by the Governor and would be effective for taxable years beginning on or after January 1, 2017 but before January 1, 2019. [H.B. 2460, Leg. 2017 \(Va. 2017\)](#); see [Impact Statement](#).
- **Sales and Use Taxes – Online Disclosure of Registered Dealers.** House Bill 1810 requires the Department of Taxation to provide registered Retail Sales and Use Tax dealers with online access to the names and registration numbers of other such dealers. The Department currently is authorized to disclose whether a person is registered to collect the Retail Sales and Use Tax and to

make available the names and registration numbers of such dealers. [H.B. 1810, Leg. 2017 \(Va. 2017\)](#); see [Impact Statement](#).

- **Sales and Use Tax – Nexus for Remote Sellers.** Senate Bill 962 amends and re-enacts §58.1-612 of the Code of Virginia by clarifying that the storage of inventory within the Commonwealth gives rise to nexus sufficient to require an out-of-state seller to register as a dealer for the collection of sales and use tax on sales to customers within Virginia. Under current law, it is not clear whether the presence of inventory in Virginia is sufficient to require a dealer to register with the Department. [S.B. 962, Leg. 2017 \(Va. 2017\)](#); see [Impact Statement](#).
- **Local BPOL Taxes – Methodology for Deducting Gross Receipts.** House Bill 1961 requires the Department of Taxation to promulgate regulations that clarify the appropriate methodology for determining deductible gross receipts attributable to business conducted in another state or a foreign country. The bill requires the regulations to be based on previous Rulings of the Tax Commissioner and the decision of the Supreme Court of Virginia in *The Nielsen Company, LLC v. County Board of Arlington County*, 289 Va. 79 (2015). [H.B. 1961, Leg. 2017 \(Va. 2017\)](#); see [Impact Statement](#).

## Related People

- Stephanie Lipinski Galland – 202.327.5094 – [slipinskigalland@williamsmullen.com](mailto:slipinskigalland@williamsmullen.com)
- Kyle H. Wingfield – 804.420.6445 – [kwingfield@williamsmullen.com](mailto:kwingfield@williamsmullen.com)

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