Field Collections Guide

Office of Compliance

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~ NOTICE ~

Refresher Training as well as annual review sessions will be conducted to ensure that all field employees are consistently following standard procedures. Collections management will distribute communications as well as schedule and host weekly staff meetings to discuss policy and procedural changes as they occur.

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The following tag-line information will appear on the bottom of any weekly communications and/or agendas by managers, supervisors, and team leads. *"The Agency will not tolerate any violation of law, corruption, neglect of duty, misconduct or unethical behavior, acts of fraud, theft, waste, abuse of any kind, or any unethical activity/behaviors. All employees are encouraged to bring suspected fraud, waste, abuse, and safety concerns to the attention of management, HR or call the OSIG hotline 800-723-1615 (fraud, waste or abuse)".*

Introduction

Virginia Department of Taxation, Office of Customer Relations, Compliance Unit, is responsible for enforcing compliance with the tax laws of the Commonwealth as set forth in the Code of Virginia §58.1. The Field Collections Guide is designed to assist Field Agents in performing their job duties in accordance with the agency's Purpose, Mission, Vision, Values, Goals, Strategies and Code of Ethics. All Compliance employees are required annually to take and pass an on-line class on Virginia Ethics.

State Tax Senior Field Agents whose primary duties are the enforcement of the statutes administered by Virginia Department of Taxation (Virginia Tax) have prepared this guide for use. It is not intended to replace directives or regulations.

Virginia Tax Purpose, Mission, Vision, Values, Goals, Strategies and Code of Ethics

Purpose
Funding Virginia's today and tomorrow.

Mission
Serving the public by acting ethically and efficiently in our administration of Virginia's tax laws.

Vision
To be the nations' leading tax administration agency through a customer-first focus and a culture based on accountability, collaboration, and trust.

Values
- Act with Integrity
- Strive for Excellence
- Demonstrate Respect

Goals
- Maximize Cost Effectiveness
- Optimize the Value of Time
- Improve Customer Satisfaction
- Increase and Sustain Employee Satisfaction

Strategies
- Strengthen our Workforce
- Improve Stakeholder Experience
- Optimize and Re-engineer Technology

Code of Ethics

Virginia Tax's Code of Ethics is not intended to be all-inclusive, but serves as a guide for appropriate business conduct.

Our employees will uphold these professional and ethical standards in support of the agency's mission, values, and vision:

- Commit to the highest ideals of honesty, personal and professional integrity, fairness, and ethical values.
- Avoid any actual or perceived conflict of interest by not accepting forms of gifts, favors, or items of monetary value that violate the State and Local Government Conflict of Interest Act.
- Earn respect, trust, and confidence of the public, elected and public officials, and coworkers in providing professional services.
- Embrace diversity and protect the rights of others by treating all persons in a non-discriminatory, ethical, dignified, evenhanded, respectful, and courteous manner.
- Abide by agency and Department of Human Resource Management (DHRM) policies to include the Standards of Conduct.
- Protect agency and public resources against their use for personal or private benefit and gain except where specifically allowed by policy.
- Become entrusted stewards in financial management and the use of other public resources such as electronic communications and information systems, materials, equipment, and supplies.
- Expose any violation of law, corruption, neglect of duty, and misconduct or unethical behavior; and will not conduct or condone acts of fraud, theft, waste, abuse, or any such activity.
- Provide credible, honest, impartial, and objective information according to applicable laws, regulations, policies, and professional standards.
- Conduct public business that will withstand public scrutiny and Freedom of Information Act (FOIA).
- Develop professional quality excellence through enhancing professional KSAs (knowledge, skills, and abilities) and competencies through continuous improvement.
- Reflect non-partisanship in professional work and conduct.
- Exercise prudence and integrity in filing and paying taxes, preventing unauthorized use or disclosure of information, securing and maintaining the confidentiality of tax information, and managing the Commonwealth's tax revenue resources.
- Hold ourselves accountable for our own decisions and actions and to this Code of Ethics.

NOTE: Collections management will continue to reinforce communications regarding ethics policy, procedures and training. During staff meetings and training sessions, employees will be routinely encouraged to bring suspected fraud, waste, abuse, and safety concerns to the attention of management or call the OSIG hotline 800-723-1615 (fraud, waste or abuse).

Chapter 1

Collection Process Overview

When it is determined, that tax is due, an assessment is made and the customer is issued an assessment notice requesting payment. If a required return has not been filed, the customer is issued a delinquent return/nonfiler notice. The collections process begins when the assessment is not paid within 30 days of the initial assessment date or when a delinquent return has not been filed/paid by the due date. At this point, the account is categorized as delinquent.

Virginia Tax maintains two primary computer systems; Advantage Revenue (AR), the accounting system and Computer Assisted Collection System for Government (CACSG), the collection system. Delinquent accounts move from AR to CACSG and CACSG assigns the accounts in accordance with Virginia Tax business rules. Each account is assigned to an entry state and then is moved to an outcome state which is based on parameter-driven rules. Accounts can be assigned to the Delinquent Collections Unit (DCU - Central Office collectors), District Offices or an outside collection agency (OCA).

As delinquent accounts move through CACSG work states, various steps are taken by staff and the collections system to collect the delinquent balance. These processes include phone calls, correspondence, automated and manual third party liens, refund match and debt setoff programs, and legal actions such as Memorandums of Lien, Revocation of the Sales Tax Certificate of Registration, Padlocks, and Criminal Warrants.

Role of Delinquent Collections Unit (DCU)

The primary role of collections staff in the Central Office in Richmond is the collection of taxes through phone contact with taxpayers. These collectors handle high volume outgoing and incoming calls related to the collection of delinquent taxes. Collection staff are assisted by an automated dialing system that manages outgoing and incoming calls.

DCU collectors have the authority to establish payment agreements, issue correspondence, third party liens, memorandums of lien, and are involved in the management of the automated third party lien process.

DCU Resources Portal – Click on the link or the DCU Resources Portal Icon below and you will have access to several different "help" topics as listed below:

There are topics listed under each heading that could be resourceful to the Field Agents in performing their duties. Please keep in mind not all topics will relate to Field Agents.

Call Resources

- Call Transfer Guidelines
- DCU Not Ready Reason Codes
- DCU Turnaround Times
- Finesse Transferring and Conferencing Quick Reference
- Tax Jargon to Avoid
- Requesting Customer's Phone and Email Address (New 7/1/2020)

Phone Numbers/Addresses

- DCU Call Reference Sheet
- OA Audit Teams - P O Box Phones
- RAP Compliance Codes and Contact Numbers

Bankruptcy

- How to Handle Bankruptcy Calls
- Discharge Rules for Chapter 11 Bankruptcy
- Discharge Rules for Chapter 13 Bankruptcy

- Discharge Rules of Chapter 7 Bankruptcy

Debt Setoff

- Debt Setoff Process Timelines
- IRMS Set-Off Agency Numbers
- Set-Off Agency Prefixes
- Set-Off Exception Processing
- Set-Off Process Error Resolutions
- Set-Off Claim Priorities
- Processing a Set-Off Claim

Deceased and Incarcerated Taxpayers

- How to work a Deceased Taxpayer Account
- Incarcerated Taxpayer Account Guidelines

Indexer

- Indexing and Reassignment Guidelines for Siebel Users

Outside Collection Agency

- Outside Collection Agency Account Procedures and Guidelines
- Statement of Your Accounts - Penn Credit Letter (STMPA 39)
- Information Requested - Penn Credit (CFIPA-43)
- Broken Promise - Penn Credit Letter (CBPPA-37)
- Paid or Settled in Full - Penn Credit Letter (CPIPC-41)
- Request for Payment - Penn Credit Letter (PA2PC-10)
- Notice of Collection - Penn Credit Letter (NEWI-01)
- Promise to Pay - Penn Credit Letter (CPPPA-36)

Offer in Compromise

- How to Handle a Request for Offer in Compromise

Treasury Offset Program

- Treasury Offset Program Guidelines

Vendor TOP

- Vendor TOP FAQ Individual
- Vendor TOP FAQ Business

Disclosure/Confidentiality/Verification

- Guide to Individual Verification
- Guide to Business Verification
- How to Respond to POA Inquiries
- PAR 101 Form and Instructions

Information Security

- Agency Security Policies
- Agency Safeguarding and Disclosure Policies

TECHNOLOGY/APPLICATION RESOURCES

Technology Support Portal (Includes help links for Google Mail, Finesse, Office 16, VoIP, SailPoint, WebEx, FACSys, etc.)

Advantage Revenue

- How to Discharge a Debt in Advantage Revenue for Deceased Taxpayers
- How to Perform a Small Business Waiver in AR
- How to Research and Correct Missing Payments in AR
- Tax Codes and Filing Periods

CACSG

- CACSG Case Flow
- CACSG Guide for DCU Collectors
- CACSG - Manual Vs Automated letter Generation
- DCU CACSG Toolbar and Menu Quick Reference
- DCU CACSG Letters Quick Reference
- How to Enter an Email Address in CACSG
- How to Reopen an Inactive CACSG Case
- How to Verify and Enter Third Party Lien Asset Resources

FAX

- FACSys Quick Reference Guide for DCU

Printers

- Follow Print Taxi Site

Siebel

- How to Access an Account in Siebel Without Receiving a Populated Screen Pop
- How to Create a To Do Activity in Siebel as a Reminder

VoIP/Finesse/Verint

- Basic Phone/Voicemail Instructions

VPN (Cisco AnyConnect Secure Mobility Client)

- Connect to VPN

PAYMENT PLANS

- Quick Reference for Establishing Payment Plans and Issuing MOLs - NEW
- Balloon Pay Plan Guidelines
- DCU Payment Options
- DCU Teleplan Guidelines
- How to Handle Defaulted Pay Plans and Reset Pay Plans - Business
- How to Handle Defaulted Pay Plans and Reset Pay Plans - Individual
- How to Set a Part Pay Agreement

WEB PPA

- How to Respond to a Web PPA Inquiry
- Web PPA Eligibility Guidelines Part Pay Agreement
- Web PPA Taxpayer Alerts Part Pay Agreement
- Web PPA Online Screen Catalog

Third Party Lien

- Adjusting a Third-Party Lien
- How to Verify and Enter Third Party Lien Asset Sources
- Third-Party Lien Guidelines
- Lien Release Guidelines
- Preferred Address Change Job Aid

Memorandum of Lien (MOL)

- DCU Memorandum of Lien Guidelines
- Creating an MOL Payoff
- How to Release a Memorandum of Lien

Individuals

- OA Compliance Codes and Defending Section
- RAP Compliance Codes

Business

- How to Identify a Converted Assessment Account
- Small Business Penalty Waiver Guidelines

PAYMENTS/REMITTANCES

- How to research and correct missing payments
- DCU Payment Options
- DCU Payments with iPads

DCU Guidelines & Procedures

- Attendance Policy
- Contingency Plan
- Employee Cell Phone Usage
- Reporting Phone or System Issues
- Scheduled Time Off
- Unscheduled Time Off

Organizational Charts

- DCU Organizational Chart

HR Resources

- Virginia Tax Human Resources
- Employee One-Stop
- COVID-19 Temporary Home-Based Worker Guidelines - **NEW**

DHRM (Department of Human Resource Management)

- Employee Assistance Program - NEW

DO YOU KNOW?

Date	Title
05-13-19	How to make a tax due payment online without a bill number
03-27-19	Advantage Revenue Notations
03-07-19	AR Relationships with Power of Attorney authority
12-21-18	How to Access AR Offset Information without Closing the Taxpayer's Profile Window

12-19-18	Address Updates for RAP Review Indicators on AR individual Profile

Date	Training / Webinar
02-03-20	Business Verification with AR Navigation and Registration Details
12-11-19	Merchant Credit Card Webinar - Session 1 Paymentus
10-03-19	CACSG Payment Application (Payment Plans)

Date	WebEx Training (Recorded Sessions)
01-30-20	Verification (Individual / Business)

Forms

- Phone Monitor Guidelines and Definitions (ended 6/30/2020 refer to DCU TL- Quality Assurance Score Sheet)
- TL - Quality Assurance Score Sheet (New 7/01/2020)
- Management Feedback Form (New 7/01/2020)

Verint Support Site

- How do I access my call recordings in Verint
- How do I view my Evaluations
- How to search for a call in Verint from a saved link

Guides / Quick References

- Litter Tax Overview
- Quick Reference Guide - BNF
- AR Handout - BNF Bills
- Call Transfer Quick Reference Guide

How To

- How to Handle Phone Inquiries
- How to Find a Worklisted Return
- How to Create a To Do Activity for a Worklisted Return

Letters / Forms

- Return Not Filed
- Form R-1
- Form R-3

Role of Outside Collection Agencies (OCA)

Code of Virginia §58.1-1803 gives Virginia Tax the authority to establish contracts with outside collection agencies for the collection of delinquent state taxes. Delinquent accounts are assigned to contract collection agencies by the CACSG system based on established Virginia Tax business rules.

The primary role of OCAs is collection of delinquent taxes through outgoing phone calls and correspondence. The OCAs have the authority to negotiate payment agreements, but do not have the authority to issue third party liens, memorandums of lien or legal actions such as Revocation, Padlock, or Criminal Warrants. The OCAs can request that Virginia Tax issue third party liens or memorandums of lien on OCA assigned accounts.

Role of Field Collections

Field collection units are located throughout the state in the following districts: Eastern (Hampton Roads), Northern, Richmond, and Western. The compliance enforcement Supervisor and Field Agents for each district are home based.

The primary role of Field Agents is to handle chronic delinquent accounts or accounts that require a higher level of collection activity and to enforce compliance with Virginia Tax Laws.

Field Agents collect delinquent taxes and enforce compliance through a variety of procedures including outgoing and incoming phone calls, correspondence, field visits, third party liens, and legal actions. They have the authority to establish payment agreements, issue manual third party liens, and initiate legal actions such as Memorandums of Lien, Revocation of Certificates of Registration, Padlocks, and Criminal Warrants.

Field Agents promote compliance with Virginia Tax Laws by activities such as monitoring proper registration and payment of taxes by dealers, flea market vendors, carnival operators, festivals, etc.

Every Field Agent is required to review, sign and date the Field Agent Expectations document:

Virginia Tax

Field Agent Expectations

A. Leave

1) **Leave Balances:**
   It is the recommendation that employees maintain a balance of five days of leave; family/personal, annual, and/or sick combined.

2) **Annual Leave:**
Employees wishing to take annual leave should notify their supervisor of their request via email and/or phone call at least 24 hours prior to that absence. Annual leave requests should also be entered on your Gmail calendar.

3) **Unplanned Sick Leave (Illness):**
Employees who will be out of the office for unplanned sick leave (leave other than a scheduled appointment) should notify their supervisor via phone, email, or text. If you are unable to reach the supervisor by phone, you may leave a message or send an email. Sick leave requests must be recorded on the TAL Timesheet system and should be submitted **by noon, Wednesday,** of the following week. In the event of an extended, unplanned absence, the supervisor may enter sick leave requests for employees.

4) **Planned Sick Leave (Scheduled Appointments):**
Employees wishing to take sick leave (for a scheduled appointment) should notify their supervisor of the request at least 24 hours (with enough advance notice as possible) prior to that absence. Planned sick leave requests must be included on Gmail calendar prior to the leave date.

B. Attendance

Employees are expected to be logged into CACSG on time and for the duration of their established shift. They are expected to return to work from lunch/meal periods at the appointed time. If an employee is unable to report to work at their normal start time or is going to be late in reporting to work or returning from a lunch/meal period, the employee must notify their supervisor as soon as possible or a Senior Field Rep if the supervisor is not available. In these instances, and upon approval of the supervisor, the employee must include the time on the TAL Timesheet. Failure to notify the appropriate authority may result in disciplinary action.

C. TAL

Employees are required to enter their daily working time into the TAL Timesheet. Final submissions should be completed by **noon on Wednesday for the prior week**. Time must be entered at the end of each working day exactly as it is worked. Time entry into TAL is essential as it affects employee pay and the accrual of leave time.

D. Breaks

At the discretion of the Collections Supervisor, Field Agents will be allowed two 15-minute breaks, one in the morning and one in the afternoon. You may not use breaks in conjunction with lunch, leave, or leaving early. If you need an alternate work schedule, due to unexpected circumstances, you may speak to your Supervisor in regards to working an alternate schedule for that particular day.

E. Lunch

VA Tax Policy states that lunches are 45 minutes in length. Field agents are required to log out of CACSG for lunches and log in after lunch, if they are in the office. Lunches can be taken any time beginning at 11:00 am with the latest return time of 2:00 pm. Any lunches taken with a later return

time after 2:00 pm, will be at the discretion of the Collections Supervisor. Reducing the length of the lunch period cannot be used to make up time during the work shift or to leave early.
Lunches are to be taken when working in the office and field. You may not work through lunch to leave early.

F. Meetings

Communication with our teams are important to safety, engagement, and ensuring accurate information is provided to our taxpayers. Field agents are required to attend and participate in all scheduled meetings with their teams. Cell phones should be off or on vibrate and out of sight during in person meetings and conference calls.

G. Out of Office

If you will be out of your office (Leave or Training) for more than two days, all Field Agents are expected to update their email and voicemail accordingly.
You are expected to monitor your emails and VOIP Voice messages when in the field with your I-pad G-Mail application. If an immediate return call is needed – the email can be forwarded to your Senior or Supervisor.

All voicemails and emails are to be returned within 48 hours. Sample Out of Office Greeting:

This is <NAME> with the VA Dept. of Taxation.
I will be out of the office from <DATE> through <DATE>.
Please leave either your FED ID, SS# or client ID, plus a phone number and I will return your call on <DATE>.
For immediate assistance call <Alternated Field Rep> at 804-XXX-XXXX. Thank you.

H. Telephones

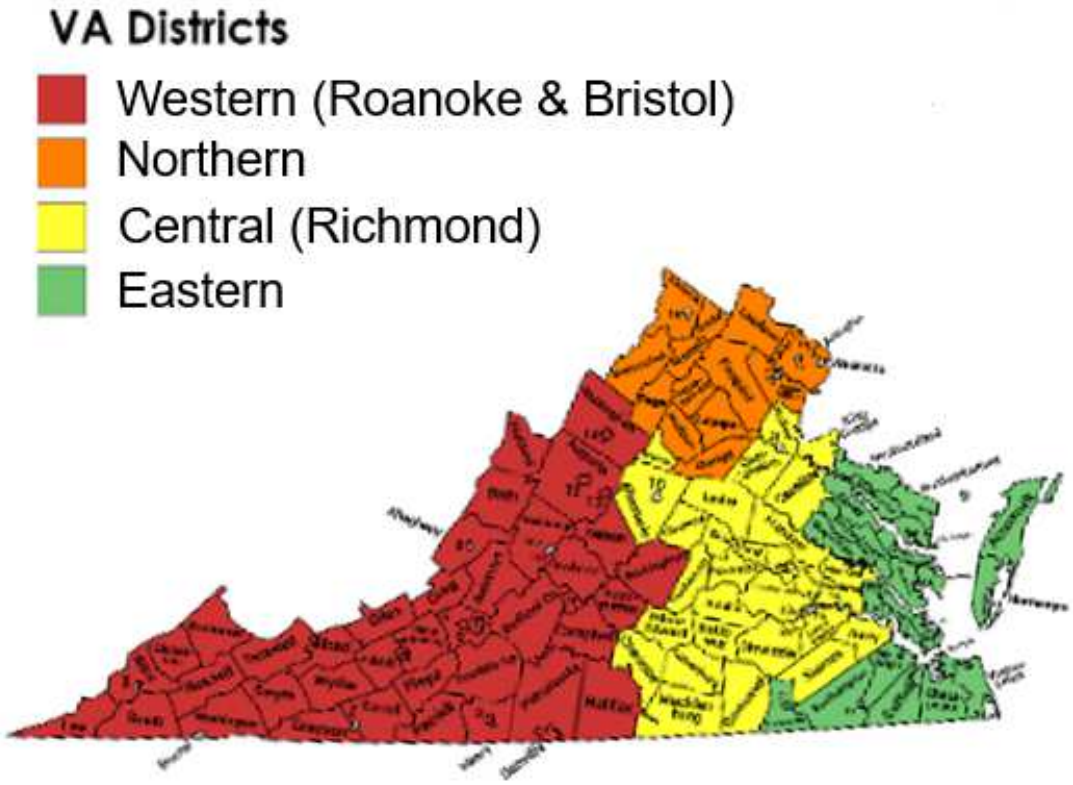
Cellphones must be on vibrate or off and out of sight during staff meetings or when meeting with taxpayers. State phones are for business use. Personal use of state phones is limited to emergencies.

I. Professionalism

Field Agents are expected to be professional and respectful to all taxpayers, peers, and management at all times. Additionally, you must comply with all rules and regulations found in the Attendance, Code of Ethics, Dress Code and Technology Policies (located on Taxi).
The signature acknowledges that you have reviewed and read these expectations.

Employee Signature: _____

Date: _____


VA Districts
Western (Roanoke & Bristol)
Northern
Central (Richmond)
Eastern

CENTRAL DISTRICT

CITIES

Colonial Heights
Fredericksburg
Hopewell
Petersburg
Richmond City

COUNTIES

Amelia
Brunswick
Caroline
Charles City
Charlotte
Chesterfield
Cumberland
Dinwiddie
Fluvanna
Goochland
Hanover
Henrico
King George
King William
Louisa
Lunenburg
Mecklenburg
New Kent
Nottoway
Powhatan
Prince Edward
Prince George
Spotsylvania
Stafford
Surry
Sussex

EASTERN DISTRICT

CITIES

Chesapeake
Emporia
Franklin
Hampton
Newport News
Norfolk
Poquoson
Portsmouth
Suffolk
Virginia Beach
Williamsburg

COUNTIES

Accomack
Essex
Gloucester
Greensville
Isle of Wight
James City
King and Queen
Lancaster
Mathews
Middlesex
Northampton
Northumberland
Richmond County
Southampton
Westmoreland
York

NORTHERN DISTRICT

CITIES

Alexandria
Fairfax City
Falls Church
Manassas
Manassas Park
Winchester

COUNTIES

Arlington
Clarke
Culpeper
Fairfax County
Fauquier
Frederick
Loudoun
Madison
Orange
Page
Prince William
Rappahannock
Shenandoah
Warren

WESTERN DISTRICT

CITIES

Bristol
Buena Vista
Charlottesville
Covington
Danville
Galax
Harrisonburg
Lexington
Lynchburg
Martinsville
Norton
Radford
Roanoke City
Salem
Staunton
Waynesboro

COUNTIES

Albemarle
Alleghany
Amherst
Appomattox
Augusta
Bath
Bedford
Bland
Botetourt
Buchanan
Buckingham
Campbell
Carroll
Craig
Dickenson
Floyd
Franklin County
Giles
Grayson
Greene
Halifax
Henry
Highland
Lee
Montgomery
Nelson
Patrick
Pittsylvania
Pulaski
Roanoke County
Rockbridge
Rockingham
Russell
Scott
Smyth
Tazewell
Washington
Wise
Wythe

Chapter 2

Initial Steps of the Collection Process

A Field Agent begins the collection process by reviewing the accounts in their CACSG worklist. A worklist contains the accounts scheduled for collection activity that are assigned to the Field Agent. Most worklists for Field Agents are associated with one user, but worklists can also be associated with a group of users or any number of users. User capability level determines access to worklists.

The worklist of a Field Agent contains only those accounts assigned to them based on predetermined account assignment criteria. However, the worklist of a user with Supervisor level capability may contain accounts assigned to the user and all accounts assigned to users under their supervision.

Anytime a taxpayer's account is accessed in CACSG, the account must be documented using the correct icon or the menu bar option of Actions/Debtor Contact. Comments should be entered that outlines the reason for accessing the account.

The accounts within the worklist may be divided into several states (a grouping of cases based on similar required collection action). Some common states found in a Field Agent's worklist are:

A complete listing of CACSG states and a description of their use is found in Exhibit 2a.

New (DX01)
District Individual (DX10)
Telephone Call (DX20)
Field Visit (DX30)
Follow-up Action (DX35)
Issue Third Party Lien (DX41)
Issue Memorandum of Lien (DX42)
Monitor District Partial Payment Agreement (DX51)
Default District Partial Payment Agreement (DX52)
Pending Fi Fa (DX60)
Pending Padlock (DX70)
Pending Padlock Hearing (DX71)
Monitor Padlock (DX72)
Pending Revocation (DX80)
Pending Revocation Hearing (DX81)
Monitor Revocation (DX82)
Pending Criminal Warrant (DX90)
Prepare and File Criminal Warrant (DX91)
Conversion Action (DX95)
Stops Review (DX98)
Monitor Criminal Warrant (DX92)
Notice to Appear (DX93)
Automatic District Exit (DX99)

Account Assignments

The majority of accounts assigned to Field Agents are business accounts for which collection efforts by automated collections, DCU, and/or OCAs have been unsuccessful. Accounts are assigned to Field Agents by the CACSG system based on established Virginia Tax business rules, but accounts can also be assigned manually. Accounts are assigned primarily based on the locality of the business. Accounts are assigned to a particular collection district based on geographic locality parameters. Most districts have elected to have work assigned to Field Agents based on geographic areas in the proximity of the home base of the Field Agent. CACSG assigns work by locality (FIPS) code by county/city and zip code of an account.

The majority of accounts assigned to Field Agents are business accounts or individual accounts containing business tax assessments that have been converted to an individual from a corporation, partnership, or limited liability company.

The following are types of accounts that are assigned to Field Agents:

- Accounts previously worked by automated collections and DCU collectors in which collection efforts were unsuccessful.
- Accounts with previous Padlock, Revocation, or Criminal Warrant activity.
- Manually routed accounts from DCU. Approval is generally necessary to manually route an account.

Upon entry, district accounts are assigned to a Field Agent's District New State (DX01). After reviewing the accounts in this state, the Field Agent or Supervisor may manually route the accounts to a state within the Field Agent's worklist for the next level of collection action.

District accounts are moved to CACSG state DX99 when significant collection activities have not occurred within 180 days of the assignment date. The significant activities that prevent accounts from automatically exiting district work states include:

- Revocation
- Padlock
- Bond
- Criminal Warrant

In addition, payments received within 180 days and CACSG Actions/Debtor Contacts with the officer, primary debtor, or secondary debtor will hold an account. The following is a list of significant activities from the CACSG Actions/Debtor Contacts menu (contact must be with officer, primary or secondary debtor):

- Outgoing phone call
- Incoming phone call
- Letter Received
- Field Visit
- Office Visit
- Non-CACSG letter

An account within the third party lien state (DX41) will be held if regular monthly payments are posted to the account, such as with a wage assignment. Accounts with significant collection activity documented in CACSG remain assigned to a Field Agent until resolved or manually routed to another Field Agent, DCU, or an OCA.

Establishing Collection Priorities

CACSG automates many processes to assist Virginia Tax collections staff with the management of accounts. However, accounts assigned to Field Agents require manual processes including establishing priorities for collection activity.

New Accounts

Upon entry in the District New State (DX01), accounts must be reviewed to determine the level of priority and the appropriate collection action. Criteria for determining the priority level of an account includes:

- Dollar amount of assessments
- Number and estimated dollar amount of delinquent returns (nonfilers)
- Account history
- Business type (e.g., restaurant, convenience store, etc.)
- Active/inactive status of a business
- Statute of limitations for assessing unpaid taxes to responsible officers (Chapter 8, Additional Collection Procedures: Assessing Unpaid Taxes to Responsible Officers).
- Age of assessments

To assist a Field Agent with establishing priorities, CACSG worklists allow accounts in each state to be sorted based on criteria that includes case balance and number of returns not filed.

Normally, the highest level of priority is given to accounts with the highest dollar assessments, highest number of delinquent returns that may result in high dollar assessments, and accounts with previous Padlock, Revocation and/or Criminal Warrant actions. The highest level of priority is also given to an account when it is determined collection is in jeopardy due to the risk of debtor flight out of the state/country or risk of liquidation and distribution of assets. Once the priority level of a new account is established, it must be manually routed to a state for the appropriate level of action.

Existing Accounts

Existing accounts in the various states of a worklist must be monitored on a regular basis for changing levels of priority. The Field Agent makes the determination of the priority level of existing accounts as the accounts are moved through various collection processes. Common reasons for a change in an account priority level are:

- Increase in the dollar value of assessments and/or number of returns not filed.
- Lack of cooperation from the debtor
- New information received on the account (e.g., information indicating the debtor is going to leave the state or sale a significant asset).

Understanding and establishing account priority level is a key element of account worklist management. Immediate determination of priority followed by appropriate action optimizes the Field Agent's ability to resolve accounts.

Exhibit 2a - Complete Listing and Description of CACSG States

Function State	State Name	Notes about Use
BK01	Create New Bankruptcy	If second bankruptcy is entered on case previously in bankruptcy, then case will move here. If already assigned it will move to BK02.
BK02	Issue Automatic Proof of Claim (POC)	Cases move here from BK82 and remain until paid, discharged or dismissed. TCS handles POC, monitoring, etc. If user has evidence that bankruptcy is resolved but this is not reflected in CACSG, contact DCU BANKRUPTY team leader. DO NOT try to route the case from a BK state. If TCS appears in the WE HAVE area of the primary screen, a fee will be paid even if case was improperly routed to some other state.
BK03	Manual Review High Profile	No longer used 4/2011
BK04	Attorney Review BK POC	No longer used 4/2011
BK05	Manual Review for Legal	No longer used 4/2011
BK06	Non Filer Manual Review	No longer used 4/2011
BK07	Monitor Chapter 7	No longer used 4/2011
BK08	NF Proof Of Claim	No longer used 4/2011
BK10	Monitor High Profile	No longer used 4/2011
BK11	Monitor Chapter 11	No longer used 4/2011
BK13	Monitor Chapter 13 and 12	No longer used 4/2011
BK81	Bankruptcy Criteria Met	Added to handle outsourcing of bankrupt cases to TCS. Primary entry point for bankrupt cases. Once case has bill/no >90 days old and is thus eligible for OCA, case moves to BK82 for auto assignment to TCS.
BK82	Bankruptcy OCA Refer	Added to handle outsourcing of bankrupt cases to TCS. Auto assignment state. Once assigned case moves to BK02.
BK89	Bankruptcy OCA Release	Added to handle outsourcing of bankrupt cases to TCS. Auto un-assignment of TCS. Case then moves to LIEN if criteria met. If PPA is active, case moves PP04.
BK90	Review Bankruptcy Status	No longer used 7/2015
BK96	Issue Manual Bankruptcy Dismiss/Discharge	Cases that move here have a discharge/dismiss date, but have another case with those dates missing. They may have either a bankruptcy HOLD still in place on the case or some other type of HOLD on the case. If these conditions change, the case will automatically move to BK97 or BK98. Cases that have multiple bankruptcies, one of which is new, will move to BK01. This state may also need a manual "clean up" effort of some sort.

BK97	Issue Auto Bankruptcy Discharge/miscellaneous	Cases move here once a discharge date is entered provided. Cases wait 5 days to allow for situations where the hold must be removed and then reset. On the 5th day an automatic, offline, batch COL087A Dismissed/Discharged letter is generated and mailed without collector intervention. Currently only 50 letters are allowed to generate per day. Cases wait here 180 days then move to BK89 to remove the TCS assignment then on to LB01 or LI01 Lien Pending. If another bankruptcy hold is placed, a new bankruptcy case is entered, the case will move to BK01 or BK96 depending on the age or the Last Bankruptcy Received date. The COL087A may or may not have generated, depending on the timing.
BK98	Issue Bankrupt Dismissal	Cases move here once a dismiss date is entered provided. Cases wait 5 days to allow for situations where the hold must be removed and then reset. On the 5th day an automatic, offline, batch COL087A Dismissed/Discharged letter is generated and mailed without collector intervention. Currently only 50 letters are allowed to generate per day. Cases wait here 30 days then move to BK89 to remove the TCS assignment then on to LB01 or LI01 Lien Pending. If another bankruptcy hold is placed, a new bankruptcy case is entered, the case will move to BK01 or BK96 depending on the age or the Last Bankruptcy Received date. The COL087A may or may not have generated, depending on the timing.
BK99	Review Activity for Release	No longer used 7/2015
CA01	Pending OCA	Cases auto move here to await assignment to OCA's. Users may manually move cases here for assignment to OCA. Newly entering small balance cases move after 16 days in NW01. Cases move when bank and wage lien sources exhausted or unproductive in LI, and LB states if not field worthy. (Field assignment is determined by balance and ELD condition.) Cases move here after district exit in DX99 if balance is too small to lien (<$100) or if all bus tax types ELD. By design, small balance and <5 NF's cases wait in CA01 until balance or NF's send to district or assign to OCA or they self-cure. Cases must be reviewed by a Field Agent Senior of Supervisor before putting into this state.
CA02	Assigned to OCA	If OCA ID is present cases move here unless bankrupt, OIC, or criminal investigation holds exists. If OCA sends TAX a lien source, cases move to CA09, 10, or 11. Cases return to CA02 once liens are auto generated. If OCA id is removed or case is paid or too many NF's accumulate on non-ELD cases, move CA99 for recall. If cases are routed from CA02 by user, they will return auto. If recall is needed contact OCA DCU team leader. DO NOT try to route the case from CA02 state. If OCA name appears in the WE HAVE area of the primary screen, a fee will be paid even if case was improperly routed to some

		other state. Cases must be reviewed by a Field Agent Senior of Supervisor before putting into this state.
CA03	Returned from OCA	Cases move from CA99 to CA03 when the return code is "R" but case not worthy of field assignment or MOL (has ELD, out-state, discovery bills, >$25<1000). After 60 days, they route PU01 to repeat collection process.
CA04	Review Bad OCA Indicator	Cases move here from PU01 if a new bill becomes open and OCA id is already present. Clean up may be needed or the case will return to OCA if actually still assigned.
CA05	Review Field Audit Out State	Cases pending OCA assignment that have field audit bills move here. Collectors review for action if assigned to do so as "project". If there is a lien source younger than 6 month they get consolidated bill at HO95 and then move to lien.
CA06	Review Field Audit in State	Cases pending OCA assignment that have field audit bills move here. Collectors review for action if assigned to do so as "project". If there is a lien source younger than 6 month they get consolidated bill at HO95 and then move to lien.
CA09	Review for OCA Lien	If OCA lien source is received for a secondary SSN or on a case on active PPA which is in CA02 assigned to OCA, case moves here for review in 6 days, then back to CA02. If the lien source name contains an *, case moves here for clean-up.
CA10	Issue OCA Lien Bank	If OCA sends bank lien source, cases move to CA10, where COL222G prints then cases move back to CA02.
CA11	Issue OCA Lien Employer	If OCA sends wage lien source, cases move to CA11, where COL220G prints then cases move back to CA02.
CA91	OCA Criteria Met	Cases auto move CA01 to CA91if not pay in 60 days, not audit (106 rsn) bill, balance >$25, <15 NFs on open bus case. Cases wait here for the monthly OCA assignment job that runs on 3rd Tues of each month. If conditions described change before the monthly assignment, case will leave CA91.
CA92	Referred to OCA	Handle outsourcing of cases to OCA (Penn Credit 7/2015). Auto assignment state. Once assigned case moves to CA02.
CA98	Write-Offs Assigned to OCA	No longer used 7/2015
CA99	Released from OCA	Cases route here if Paid or OCA balance becomes too young; If OCA id is removed by recall; If OCA return code is "W" (write off or "R" (return); If NF # for recall is met; If OCA return code is missing, cases route after 16 days to NW99 for COL037 letter.
CB01	Call Business Case	No longer used. Was intended to be used by predictive dial campaigns.
CB10	Non-filer Only Cases	Entry state for nonfilers sent by AR.
CB20	Contact Non-filer Only	System holding area for non-ELD cases with fewer than 5 ST/WH NFs, fewer than 31 other tax type, estimated value less than $15,000. If thresholds are exceeded, cases move to district.
CB30	Out of State Non-filer Only	Collectors review for action if assigned to do so as "project".

CB33	Out St NF Recalled from OCA	Collectors review for action if assigned to do so as "project".
CB35	Out St NF with Sm Balance	Collectors review for action if assigned to do so as "project".
CB40	Issue High Priority NF Letter	No longer used-- AR sends letters.
CB50	Non-filer Cases to Delete	Users move business cases from field inventory here. Cases will stay even if there are non-ELD tax types. Documentation on case should reflect user's intent.
CB51	NF ELD Cases for Purge	Users move business cases from field inventory here. If case has any non-ELD tax types the case with not stay. Documentation on case should reflect user's intent.
CB52	NF Cases audit in Progress	Users move business cases from field inventory here if there is an audit in progress. The case will stay until manually reclaimed unless a 106 new/open bill exists in which case it will move PU01, etc.
CB98	Low Priority NF	System holding area for NF only cases not in CB20. Originally held lower priority NFs such as LT, VA6 identified by STRATA (no longer used). See CB20 for exit info.
CI01	Day Call to Individual Case	No longer used. Was intended to be used by predictive dial campaigns.
CI02	Evening Call to Individual Case	No longer used. Was intended to be used by predictive dial campaigns.
CI03	Call Individual Small Balance	No longer used. Was intended to be used by predictive dial campaigns.
CR01	Criminal Investigations	No longer used 7/2015. Unit disbanded holds removed.
CV99	Conversion	Conversion from STARS system.
DX01	District XXXXX New	Cases route thru DO01 holding state to DX01 state based on the district code on the primary demographic screen. Cases previous with padlock, revocation, bond or CWAR flags are routed directly here. Cases with more than 15 nonfilers and open cases >3000 are typically routed.
DX10	District Individual	Cases with tax type "I" individual route here from DX01.
DX20	Phone Call	Cases can be manually routed by field users to organize cases.
DX30	Field Visit	Cases can be manually routed by field users to organize cases.
DX35	Follow-up Action	Cases can be manually routed by field users to organize cases beginning 9/9/15.
DX41	Issue Third Party Lien	Cases can be manually routed by field users to organize cases.
DX42	Issue MOL	Cases can be manually routed by field users to organize cases.
DX50	Approve District PPA	See PP01.
DX51	Monitor District PPA	See PP02.
DX52	Default District PPA	See PP03.
DX53	Monitor PPA-No Introduction Letter	See PP04.
DX60	Pending Fi Fa	Cases can be manually routed by field users to organize cases.
DX61	Execute Legal Action	Cases can be manually routed by field users to organize cases.
DX70	Pending Padlock	Cases with padlock flag route here from DX01.
DX71	Pending Padlock Hearing	Cases can be manually routed by field users to organize cases.
DX72	Monitor Padlock	Cases can be manually routed by field users to organize cases.
DX73	Padlock Results	No longer used 9/9/15.

DX80	Pending Revocation	Cases with revocation flag route here from DX01.
DX81	Pending Revoke Hearing	No longer used 9/9/15.
DX82	Monitor Revocation	Cases can be manually routed by field users to organize cases.
DX83	Revocation Results	No longer used 9/9/15.
DX90	Pending CWAR	Cases with criminal warrant flag route here from DX01.
DX91	Prepare and File CWAR	No longer used 9/9/15.
DX92	Monitor CWAR	Cases can be manually routed by field users to organize cases.
DX93	Notice to Appear	Cases can be manually routed by field users to organize cases.
DX95	Conversion Action	Cases can be manually routed by field users to organize cases beginning 9/9/15.
DX97	District 2 Bond Review	Cases can be manually routed by field users to organize cases.
DX98	STOPs Review	If all bills on district case are on stop, case routes here. Cases return to DX01 if stops are released.
DX99	Automatic District Exit	Cases automatically move here after 6 mo. for review by Collection Manager unless payments are being received within 6 months, the case has a CWAR, Padlock, BOND or REVO flag, or there are significant contact entries that have reasonable hope of generating payments within 6 months. Only the significant actions shown in Actions/Debtor Contact menu in combination with a significant party contacted of "officer", "primary debtor" or "secondary debtor" hold cases. The design of district exit is to allow collectors to work cases according to the district's work plan/priorities and to keep cases that field reps can't get to in motion. Manger has 10 days to review, direct action, give more time because the case is worthwhile, and address training needs, before the case is automatically moved to central office lien or pending OCA assignment. If lien sources are not found or the case meets district NF assignment criteria, the case will return to the district.
HO01	Small Balance Cases	Case with balance .01 to 24.99 and no nonfilers remain here until self-cure or balance/NF situation changes.
HO10	Deceased Cases	Cases can be manually routed. Documentation on case should reflect user’s intent.
HO20	Incarcerated Cases	Cases can be manually routed. Documentation on case should reflect user’s intent.
HO30	Keep Safe Cases	Cases that are not to be collected for a special reason can be manually routed. Users should discuss with managers and review periodically for changes in situation. Documentation on case should reflect user’s intent.
HO32	Military-Special Handling	Cases that are not to be collected due to TP's military service can be manually routed. Users should discuss with managers and review periodically for changes in situation. Documentation on case should reflect user’s intent.
HO35	Correspondence Approval Needed	

HO39	Field Refer to Central Office	Cases can be manually routed by field agents for collection by DCU when all field efforts have been exhausted. Documentation on case should reflect user's actions/intent.
HO40	Audit Review Tax Policy	Users route cases to this state in order to move to another state where they intend to pursue further action.
HO50	Federal Agencies	Federal type GF & GO. It is possible for t/p to register as government in error.
HO51	State Government Agencies	State type GV & GS. It is possible for t/p to register as government in error.
HO52	Local Government Agencies	Local type GL. It is possible for t/p to register as government in error.
HO60	All Bills on STOP	All bills are on stop, balance on cases are zero. No nonfilers.
HO70	Bad Flags on Cases	No longer used
HO77	Negative Balance with NF	No longer used
HO80	Bad Phone Numbers	No longer used
HO81	Bad Asset Source	System holding area for cases in LI03 that have VEC sources, for either the primary or secondary SSN, that been identified by management as having issues with our TPL's are auto routed here. The source is manually end dated and the case manually routed to LI01 for attempts against other sources. Once the issues with our TPL's are resolved, the source identifier is removed from the workflow routing rules.
HO83	Review Demographic Data	System holding area for cases that come from AR with demographic of TAXPAYER, No add avail go here for manual research to find the name and address and resend of consolidated bill to good address or other needed correction.
HO85	Issue CBill-HO98 Reinstate	Reinstated cases will auto move from various holding states such as HO98, LI10, BK89 where there may not have been a consolidated bill in quite some time to HO85 where a Consolidated Bill will be automatically batch generated by the system. Then the cases will move into the collection workflow such as the NW states or lien states.
HO88	Neg. Balance with no NF	No longer used
HO90	Default	System uses as default. Manual review may be need for clean ups if cases accumulate here as it would indicate a workflow issue.
HO94	OCA Write-Off Recent Activity	If payment, contact activity, new NF or new debt in last 90 days case moves from HO97 here and then on to HO85 for a consolidated bill, or NW99 if payment was in last 30 days.
HO95	OCA Write-Off Fails-Business ELD	System holding area for OCA return cases that won't/shouldn't write off---at least one bus tax type un-ELD's. Collectors review for action if assigned as "project".
HO96	OCA Write-Off Fails-Converted	System holding area for OCA return cases routed by workflow to HO97 that won't/shouldn't write off---relationship with have to be removed if bills are not valid or case may need to just stay if valid. Collectors review for action if assigned as "project".

HO98	Written Off Cases	Cases have a zero balance and closure code of write off.
HO99	Pending Inactive Hold	Case move here from PU01 before going to IN01 when paid so they will return as new cases if another bill joins. Cases with zero balance but open bankruptcy or paid with HOLD still in place remain here. Once bankruptcy is closed/HOLD removed, cases go to IN01.
IN01	Inactive and Closed	Holding area for paid cases. Cases here can me manually "set up" in order to issue a letter, lien release or enter history on the case. The case moves IN01 to PU01 so user can take action, then returns auto to IN01 when nightly batch runs.
LB01	Pending 3PL Business	Cases are manually routed here when a promise to pay is received on a business case assigned to DCU states. They automatically route here after letter attempts (NW99, etc.), from district exit states (DX99), from PP03, BK98, and BK97. Cases recycle from LB03 for another lien attempt. Lien sources come from AR in a daily batch job. Cases remain here for 30 days if payments are not being received then route to: LB03 for another lien, LI03 if sole prop for VEC lien attempt, district if active and >$3,000 or >15 NFs or >5 nonfilers with small balance, OCA if >$25. By design, cases wait here until eligible to route by the forgoing criteria or some other condition (HO60, HO01, OCO1, BK01, etc.) routes them elsewhere. It is essential that users mark bad lien sources so that multiple liens will be attempted properly as cases loop as described.
LB02	Review 3PL Business	Cases with move that 4 bus locations move LB01 to LB02 and then to District for asset association review and manual lien.
LB03	Issue 3PL Business	Cases move to LB03 if not resolved after 30 days in LB01, an unused bank source remains, and the balance is >$100. On the first day, an auto batch, off-line lien COL122G prints, is signed from a pool of DCU digitized signatures, and is mailed without user intervention. The lien does not reference any new, stop or held bills or nonfiler periods. It is in effect for 15 days. If no pays are received in 60 days, cases loop back to LB03, or move to LI03, district or OCA as indicated in LB01 criteria.
LB23	Issue Non Amnesty Bus Lien	Parallel lien machine that can be used for cases with non-amnesty bills.
LI01	Pending 3PL Individual	Cases are manually routed here when a promise to pay is received on an individual case. They automatically route here if >1,000 or after letter attempts (NW99, etc.), from district exit states (DX99), from PP03, LI10, BK98, and BK97. Cases recycle from LI03, LI04 and LI05 for multiple lien attempts. It is essential that users end date bad lien sources so that multiple liens will be attempted properly as cases loop as described below. Lien sources for cases in LI01 come from

		IRMF in a monthly batch job and are stored for use in LI04/LI06.
LI02	Review 3PL Individual	Cases route to LI02 from LI01 and HO85 if >$50K and multi secondary SSN's.
LI03	Issue 3PL to Primary VEC	Cases with balance >$100 move to LI03 from: LI01for lien/re-lien, LB01/LB03 (sole props). Lien sources for the last 3 qtrs. come from VEC in a batch job run three times a week. If on the 5th day in LI03 there is no VEC source, cases auto move LI04/LI06 for a bank lien attempt or HO81 if source needs review. On the 6th day an auto batch, off-line COL122G prints, is signed from a pool of DCU digitized signatures, and is mailed without user intervention. The source chosen is the highest wage VEC one without an end date. AR validation checks history, payment and worklist databases. The lien does not reference any new, stop or held bills. It is in effect for 30 days. If no pays are received in 60 days, cases loop back to LI01 for another lien attempt. It is essential that users end date bad lien sources so that multiple liens will be attempted properly.
LI04	Issue 3PL to Primary IRMF	Cases move in from LI03 (no VEC). The lien prints on the 3rd day in LI04 (seeLB03 and LI03 description). Cases move to: LI01 for another attempt, LI05 for manual VEC attempt on secondary SSN , district office if no more sources and active sole prop, or OCA if no more sources and no secondary or if inactive sole prop and no more sources. LI04 is the main exit from the automated lien process. It is essential that users "end date" bad VEC and mark "bad" bank lien sources so that multiple liens will be attempted properly.
LI05	Issue 3PL Secondary VEC	Cases move from LI04 when there is no source from the primary, but a secondary SSN exists. VEC sources are obtained as indicated in LI03 above. If no VEC for secondary exists, the case will move to LI06 for a bank attempt on the secondary or to OCA. Any liens placed are done on-line.
LI06	Issue 3PL Secondary IRMF	Cases move from LI05 when there is no VEC source for the secondary SSN and from LI03 if a bank source exists for the secondary or to OCA if not. Any liens placed are done on-line.
LI07	Issue 3PL VEC Reinstate	If automated search finds current VEC asset on case in HO98 it is reinstated, moved to HO85 for consolidated bill, then to LI07 for employer lien after 60 days. If no pay in 120 days, moves back to HO97 for auto write off.

LI08	Issue 3PL IRMF Reinstate	If automated search finds current IRMF asset on case in HO98 it is reinstated, moved to HO85 for consolidated bill, then to LI08 for bank lien after 60 days. If no pay in 120 days, moves back to HO97 for auto write off.
LI10	CS7/PPA for Lien	Cases in DCU states are manually routed here if a CS7 hardship arrangement exists with the employer. Cases with a balance of >$100 are routed back to LI01 for another lien if payments are not received in 60 days. This does not apply to cases that have converted 129 bills because the accounting entry for them can be ABMT rather than PYMT depending on which side the money is applied. Manual review for failure to pay will be needed for converted bill cases. Cases between $25 and $100 remain here until a balance change causes routing to HOO1 or LI01.
LI15	Issue 3PL Release	Cases move from LI10 here when the "collectible" balance is zero or less (means we can release the lien if open bills are paid, but new or stops could exist). Manual releases are faxed/mailed to prevent employer from continuing to withhold and remit payments on paid cases. Manual review will be need to handle any new/stop bills left after a release.
LI23	Issue Non-Amnesty Individual Wage	Parallel lien machine that can be used for cases with non-amnesty bills.
LI24	Issue Non-Amnesty Individual Bank	Parallel lien machine that can be used for cases with non-amnesty bills.
ML02	Issue MOL	Originally cases auto moved to ML02 from ML01 instead of to HO97 for auto MOL (COL119G) on 1st day in state. Auto MOL process is disabled due to various problems with courts.
ML03	Manage MOL	Originally cases auto moved ML03 from ML02 after the auto MOL was sent and waited here for the docket info to be entered. Once entered, cases auto moved HO97 for write-off. Auto MOL process is disabled due to various problems with courts.
ML04	Get Page/Docket Info	Cases move here from everywhere if balance is zero and MOL is active, but no docket information is available. Once it is entered, cases auto move ML05 for auto release.
ML05	Issue MOL Release	Cases move here from everywhere if balance is zero and MOL is active and docket information is available. MOL is auto released (COL125G) on 1st day is state. If another open MOL exists cases cycle back to ML04, then back to ML05 until all MOL's are auto released before case moves to IN01 inactive/paid state.
NW01	New Open Case	When bill ages from new to open, case routes from PU01 to NW01. NW01 is most typical area where consolidated bill is issued. Cases wait here 16 days before moving, typically to NW99.
NW03	Issue Medium Risk Letter	No longer used
NW04	Issue Low Risk Letter	No longer used

NW05	Issue Out of State Letter	No longer used
NW99	Issue No Contact Made Letter	After 16 days in NW01, cases route NW99. Cases with balance >1000 are fast-tracked to LB01/LI01 since consolidated bill was typically just issued and amount is typically within lien threshold. Cases with 100 to 999 balance remain 31 days and receive a COL037 general contact letter before moving into lien stage.
OC01	Pending Offer in Comp	If a DT2000 date is present or stop for OIC exists, cases move here from everywhere but Bankruptcy and Criminal states. Cases remain here unless paid, written-off, Bankruptcy or Criminal flag added. If both stops and DT2000 date removed and balance <$25 cases move to HO01 auto. If PPA is set up cases move auto to OC02 (thru PP01 first if approval required). General: PPA's in OC states can be set 120 days in advance. Once OIC is complete, user removes both stops and DT2000 key activity date and manually routes the case. Offer cases assigned to OCA that go bankrupt move from the OC states to CA99 to be recalled from the OCA then to BK81 and TCS assignment. Note: 7/2015 DT2000 date is almost obsolete.
OC02	Approve/Monitor OIC	Cases auto move here from OC01 and OC03 if PPA approved on case with OIC stop. If approval needed, case routes PP01 then back to OC02 once approved. If PPA is broken and/or there are no pays in 60 days, case auto moves OC03. All OIC PPA's will break by design.
OC03	Check for Compliance	If PPA is broken and/or there are no pays in 60 days, cases auto move OC03. All OIC PPA's will break by design so manual cleanup to reflect the OIC terms can be done. If broken PPA is reset, case auto moves back to OC02.
OC04	Review Old DT2000 Date	If case reopens with DT2000 date, case moves from PU01 here for review. Date is reviewed. If bad, it is removed and case manually routed PU01; if good, it is revised as needed and case manually routed OC01. Note: 7/2015 DT2000 date is almost obsolete.
PP01	PPA Approval Needed	Central office PPA's "pending" supervisory approval move here. District cases move to appropriate district's pending state (DX50). Approval Rules: Central >26 month/$50k; Field Rep >26 month/$100k; Sup/TL 99mo/max$. If final pay is <$5 case moves here. If not approved before 1st COL093 is due, it will go anyway so approvals/denials need to be done timely. Once the PPA is approved the case moves to PP02 or DX51, unless the approval is for a case on stop for OIC, in which case it moves to OC02.

PP02	Monitor PPA	Central office Active/ Approved PPA's generally move here; District's move DX51. This is also true if Teleplan set up the PPA. PPA's on cases in Criminal Investigation, Bankrupt, OIC, and OCA areas can exist outside PP02. On 1st day in PP02/DX51, COL103 PPA Intro letter is auto sent. PPA reminder/voucher COL093 is auto sent by a batch process 14 days before each due date. If PPA does not come to PP02/DX51, no intro letter will go, but COL093 will. Change was made 9/03 to send COL093 even if TP pays ahead. If a PPA is "broken" (pay 60 days overdue) the case moves to PP03 or DX52.
PP03	Defaulted PPA	If central office PPA is "broken" case moves here. An automated letter (COL031) is sent 10 days after case enters PP03. If PPA is re-established, case auto moves back to PP02. If no pays are received in 15 days, case moves to lien pending (LI01 or LB01) where case waits another 30 days before lien is attempted. If district PPA is "broken" case moves DX52. There is no auto default letter at DX52; field rep decides best action on case. Broken rules: new bill not on the PPA moves open; bankruptcy filed; bad check; nonfiler joins case, pay >60 days late, or underpay (<99% of amount due).
PP04	Monitor PPA-No Intro Letter	Holding area for cases put on PPA in CA02 or in a BK state for example after Bankruptcy was discharged/dismissed so intro letter COL103 would not go and confuse TP on previously established PPA. If PPA is "broken" case moves PP03.
PU01	New Case Early Purge	CACSG from AR initial entry state. Cases remain until bill moves from new to open, typically after 30 days from assessment date.
RO01	Pending Responsible Officer Conversion	Cases may be manually routed to ROO1. If all bills are converted cases move auto to RO99. If there is a mix of converted and non-converted, case will move RO98.
RO02	Create Responsible Officer Conversion	Used to move cases manually routed to RO01 to either RO98 or RO99.
RO96	Individual Conversion -Do Not Collect	Individual side of conversion cases can be manually routed (generally by field) to protect them from collection. Example is business is still open/bills converted to officer(s) as precaution.
RO97	Business Out Statute - Do Not Collect	Business cases can be manually routed (generally by field) to remove from inventory when the bills are too old to convert, but for some reason the case cannot be written off or discharged.
RO98	Business Partial Conversion	Business cases with mix of converted and non-converted bills will move here. They will remain if no new bill, new nonfilers or new payments are reflected on the case. If they are, the case will return to active collection state.

RO99	Business Conversion Hold	Business converted cases move here auto if all bills converted, no NF's, all tax types ELD, not OCA, BK, CR and not CWAR, REVO, PDPL, OIC, Hold, Lien or PPA. Cases routed manually to RO01/RO02 as above will enter RO99 and remain even if the was a field CWAR, REVO, etc.
SK01	Verizon Phone Match	No longer used
SK02	Skip Trace for Phone	No longer used
TR01	Treasurer Pending Assignment	Temp use states for Treasurer Pilot project
TR02	TREASURER ASSIGNED as OCA	Temp use states for Treasurer Pilot project
TR09	Treasurer Lien Review	Temp use states for Treasurer Pilot project
TR10	Treasurer Lien Bank	Temp use states for Treasurer Pilot project
TR11	Treasurer Lien Employer	Temp use states for Treasurer Pilot project
TR30	TREASURER-Keep Safe Cases	Temp use states for Treasurer Pilot project
TR91	Treasurer Criteria Met	Temp use states for Treasurer Pilot project
TR92	Treasurer Referral as OCA	Temp use states for Treasurer Pilot project
TR93	Treasurer Control Holding	Temp use states for Treasurer Pilot project
TR99	Treasurer Released as OCA	Temp use states for Treasurer Pilot project

Chapter 3

Taxpayer Contact

The first step of the collections process is attempting to establish contact with the taxpayer. There are several methods of contact available to Field Agents including phone calls, secure emails, correspondence, and field visits. Anytime a taxpayer's account is accessed in CACSG, the account must be documented using the correct icon or the menu bar option of Actions/Debtor Contact. Comments should be entered that outlines the reason for accessing the account.

Phone calls are generally the preferred method of initial contact with a taxpayer. Phone contact can be initiated by the Field Agent or by the customer. All customer contact should be conducted in a professional manner and confidentiality of customer records must be maintained. **Use of personal cell phones are strictly prohibited for any official tax business.**

Incoming Telephone Calls

Field Agents receive incoming calls from many sources including taxpayers, accountants, attorneys, local officials, and other state agencies, etc. Calls relating to issues other than collections and/or related to accounts not assigned to the Field Agent should be referred to the proper unit/department for resolution.

When receiving a phone call the Field Agent must take steps to identify the caller as the taxpayer or a person with authority to discuss/receive confidential tax information for the taxpayer. To assist in identification account specific information such as the name of the business, address, phone number, account balance/delinquent periods, Virginia tax account number, FEIN, SSN, etc. should be requested. If identity cannot be positively established the Field Agent cannot release/discuss confidential tax information by phone. If the caller indicates they have the authority to discuss the taxpayer's tax account the account should be reviewed for a power of attorney or a request must be made for a power of attorney from the caller.

Guidelines for resolving an account by phone listed under outgoing phone calls should be followed for incoming phone calls. All incoming phone calls should be documented in CACSG using the incoming call icon or the menu bar option of Actions/Debtor Contact. Comments should be entered that outline the results of the phone call.

Outgoing Telephone Calls

Outgoing phone calls are initiated by the Field Agent and are usually the first method of contact with a taxpayer. The objective of an outgoing phone call is to resolve the account without additional contact or collection action. Accounts assigned to Field Agents may have had prior call attempts that have not resulted in resolution or there is no phone number listed for the account. When necessary Field Agents can use State issued i-pads to make outbound calls, see Chapter 19.

Not all outgoing calls made by Field Agents are initial contacts. During the course of resolving an account it may be necessary to make several phone calls to the taxpayer. However, collection activity should not

be limited to phone calls. If phone calls do not produce results within a reasonable period of time the Field Agent MUST move on to the next step in the collections process.

Prior to making a phone call the Field Agent should review the account to become familiar with the current or updated status of the account.

The following is a list of areas that should be reviewed prior to contacting a taxpayer regarding a delinquent account:

- **History**: Review the account history in CACSG and AR.
- **Account Balance:** Review the account balance in AR and determine if assessments are from returns, an audit, estimated assessments, etc.
- **Returns:** Review return filing status in AR to determine if all returns are filed to date.
- **Registration/Customer Profile:** Review the tax registration and customer profile information to determine if business is currently operating or closed, to find the primary contact for the account, and the preferred method of contact.
- **Establish a contact phone number:** If there is a phone number listed for the taxpayer review history for previous contact results. Review the customer profile and tax account contact in AR and CACSG demographic information for a contact person and preferred method of contact. If there is no phone number listed, the Field Agent should search for a phone number. The following are some sources available for finding phone numbers:
    - Directory Assistance
    - LexisNexis Accurint
    - Internet Directory Assistance, internet information sites, and business websites
    - Cross-reference to sole proprietor, officer, or partner tax roll/customer profile information for home phone numbers or phone numbers of other businesses owned by taxpayer.
    - Reviewing returns and correspondence from eForms, ifile viewer, and Image Retrieval for phone number information.

When phone contact is made, the Field Agent must identify themselves and establish that the person contacted is the taxpayer or has authorization to discuss the account. Prior research of the account will identify any powers of attorney on file and anyone other than the taxpayer that is authorized to discuss the account. Ask account specific questions such as the business name and address, the type of activity conducted by the business, account number, FEIN or SSN to establish identity.

Once identity has been established the Field Agent should clearly state the purpose of the call and request the information and/or payment needed to resolve the account. The following are guidelines for account resolution by phone:

- Establish if the business is still operating and if there are any changes such as address, changes in corporate officers, partners, or owners.
- State the balance due, delinquent tax types, and provide a list of all returns that have not been filed.
- Request full payment and taxpayer to file all missing returns.
- Establish time frames if full payment and all returns cannot be provided immediately (e.g., all returns to be filed within five days and full payment to be received within ten days).
- Explain consequences for failure to comply with the request for payment, returns, or information.

- Document the results of the phone contact in CACSG using the outgoing call icon or by the menu bar option of Actions/Debtor Contact. Enter comments in history outlining the phone contact to include the phone number, with whom you made contact, details of the conversation, and when information or payment is to be received, etc.

Not all outgoing calls result in contact with the taxpayer. The results of failed phone contact attempts can be categorized as no answer, busy, phone disconnected, or left message to call on voice mail or with employee, spouse, etc. If attempts to make contact by phone continue to be non-productive, the Field Agent should cease this method of attempting contact and move to the next step in the collections process.

Incoming Correspondence

Field Agents receive incoming correspondence via faxes and secure emails from various sources including taxpayers, accountants, financial institutions, attorneys, local officials, etc. Incoming correspondence includes imaged letters, notices, faxes, secure emails and returns. Correspondence and/or faxes not intended for the Field Agent should be forwarded to the appropriate department or unit (e.g., Customer Service, Bankruptcy, Offer in Compromise, etc.) or referred to a Supervisor.

Incoming correspondence and/or faxes should be properly maintained to protect confidential tax information. The sender must be identified as the taxpayer or a person authorized to receive the taxpayer's confidential tax information before a response can be initiated. The Field Agent must review, process, and respond to the incoming correspondence in a timely manner.

Incoming correspondence and/or faxes must be documented in CACSG. In some instances, the Field Agent may wish to send the correspondence and/or faxes to Central Office for back scanning. The document can be back scanned so that an image is captured and electronically archived for future reference. The Field Agent and/or Supervisor determines which documents need to be backscanned and which can be destroyed.

Field Agents should regularly check their activities in Siebel for any correspondence which may be assigned to them.

Outgoing Correspondence

A common method of communication with taxpayers is outgoing correspondence. Outgoing correspondence includes letters, notices, faxes, secure emails, liens, legal notices, forms, faxes, requests for information, etc. AR, SIEBEL and CACSG contain correspondence modules. Correspondence and/or faxes can be system generated or manually issued by a Field Agent, DCU Collector, Customer Services Representative, or Auditor.

Field Agents send correspondence, send secure emails, and/or faxes to various sources including taxpayers, accountants, attorneys, financial institutions, employers, and courts. Field Agents often use outgoing correspondence and/or faxes to resolve accounts that have not been resolved by phone contact. Steps must be taken to insure that correspondence, secure emails, and/or faxes are being issued to the taxpayer or a person authorized to receive the taxpayer's confidential tax information.

Most collection correspondence issued by Field Agents are generated from CACSG. Templates have been established in CACSG for issuing various types of collection notices and legal actions. Field Agents

access CACSG correspondence by opening a case and selecting the Initiate Correspondence and/or Initiate Legal Actions icons. CACSG correspondence usually requires the Field Agent to enter only a minimum amount of information in specified fields. The types of correspondence available to a Field Agent are determined by the current CACSG work state of an account and/or the user's level of authority. Some CACSG letters require Supervisor approval. Exhibit 3a is a complete listing of CACSG letters.

When correspondence is generated through CACSG and/or AR, the action is automatically documented in taxpayer history. The correspondence can be viewed and reprinted if needed by going through outbound correspondence history in AR or by selecting the correspondence in CACSG History and selecting History, Correspondence View.

If a letter must be generated in Word, the official Virginia Tax letterhead must be used (see example below). All efforts must be used to create the letter in Word and then copy over to the "Free-Format" letter in CACSG so there is documentation of letter. If letter has to be manually processed, a copy of it must be sent to backscan (Chapter 16, Calendars and Miscellaneous Policies). Your Supervisor can order official Virginia Tax letterhead using control # 9900750.

COMMONWEALTH of VIRGINIA

Department of Taxation

Email Documentation

Any emails received from a taxpayer or sent to the taxpayer by the Field Agent must be documented in CACSG as an inbound or outbound call. Under the descriptor enter INBOUND EMAIL or OUTBOUND EMAIL. Entering the email details will allow the information to cross over to AR during the nightly run.

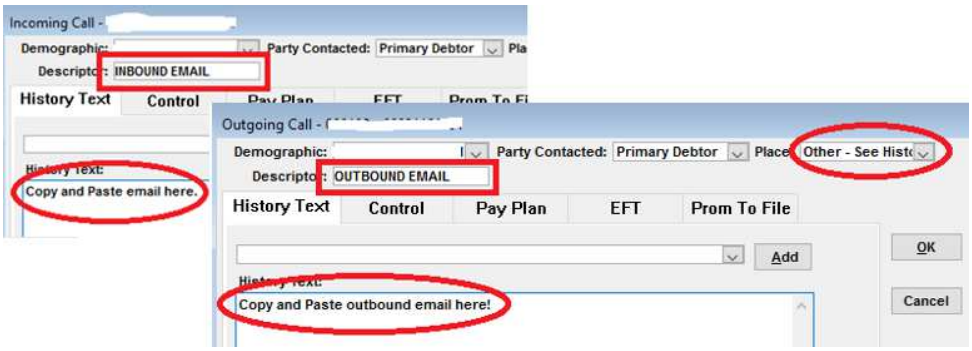


Exhibit 3a – Listing of CACSG Letters

LETTER ID	TEMPLATE DESCRIPTION	LETTER ID	TEMPLATE DESCRIPTION
COL001	Free Format Letter	COL055	Criminal Warning - 5 Day Certified
COL002	Third Party Lien Release	COL056	Memorandum of Lien Vacate
COL003	Third Party Lien Follow-up	COL057	Memorandum of Lien Partial Vacate
COL005	Notice of Intent to File MOL (10 Day Letter) Offline	COL058	Memorandum of Lien Subordination
COL006	Notice of Intent to File MOL (10 Day Letter) Online	COL060	MOL-Affidavit of Partial Release
COL008	Notice of Personal Responsibility	COL062	Request for Postal Information
COL008A	Notice of Personal Responsibility-Hearing	COL063	Padlock Hearing Notice (PL-1)
COL009	Request for Writ of FI FA - Interrogatory	COL064	Padlock Order of Padlock and Notice of Distraint
COL010	Request for FI FA Levy	COL065	Padlock and Revocation Hearing Notice (PL-3)
COL011	Request for FI FA Levy-Special Request	COL066	Padlock General Provisions (PL-1 & PL3 Attachment)
COL012	Revocation of Registration	COL067	CWAR - Criminal Complaint (DC-311)
COL013	Part Pay Denied - Missing Returns	COL068	CWAR - Request for Witness Subpoena (DC-325)
COL014	Request for Information on Deceased	COL069	CWAR - Plea Agreement
COL015	Pre-Revocation Warning	COL071	CWAR - Affidavit to Confirm Non-Filer
COL016	Revocation Hearing	COL072	CWAR - Affidavit to Confirm Unpaid Tax
COL018	Assessment Explanation	COL073	CWAR - Motion for Show Cause (DC-635)
COL019	MOL Prior to PPA	COL074	CWAR - Court Order Satisfied
COL021	Notice to Appear in Lieu of Summons	COL077	Judgment Lien Release (Suit Cards)
COL023	Request for Sales Tax Bond or Surety	COL080	Summons for Operating without a Sales Tax Certific
COL024	Decedent's Request	COL081	Receipt for Hand Delivered Mail
COL028	Confirmation of MOL Release	COL082	Subpoena Duces Tecum
COL029	Part Pay Denied-Full Payment Requested	COL084	Bankruptcy Non-Filer
COL030	Judgment Payoff	COL085	Bankruptcy Disposition Inquiry
COL031	Part Pay Default	COL086	Bankruptcy Intent to File Dismiss Motion
COL032	Part Pay Denied - Income Tax Non-Filer	COL087	Bankruptcy Dismissal/Discharge
COL035	Part Pay Pending Default	COL087A	Bankruptcy Dismissal - Offline
COL036	Personal Responsibility Questionaire	COL088	Bankruptcy Request for Plan of Arrangement
COL037	Legal Action Pending - Offline	COL089	Bankruptcy Responsible Person Assessments
COL038	Third Party Lien - Wage - Online - Source	COL090	Responsible Person Assessment Abatement
COL038A	Third Party Lien - Wage - Online - TP	COL091	Bankruptcy - Withdrawl of Claim
COL039	Third Party Lien - Bank - Online - Source	COL092	Bankruptcy Proof of Claim - Online
COL039A	Third Party Lien - Bank - Online - TP	COL093	Part Pay Monthly Reminder/Coupon
COL040	Vacate to Name Only	COL094	Statement of Personal Responsibility
COL043	Fax Cover Letter	COL095	Revocation Hearing Rejection
COL044	Third Party Lien Adjustment	COL096	Lien Search Report-Liens not Found
COL045	Offer In Compromise - Reqt For Addl Info	COL096A	Lien Search Report-Liens Found
COL046	Offer in Compromise Received	COL097	Padlock Hearing Rejection Letter
COL047	Offer In Compromise rec'd with money	COL097PH	Padlock Phone Hearing Rejection Letter
COL048	Offer in Compromise-Restricted Check	COL098	Financial Questionaire-Business
COL050	Padlock Hearing Agreement	COL099	Financial Questionaire-Individual
COL050PH	Padlock Phone Hearing Agreement	COL0AA1	Authorized Agent - with Assessment Explanation
COL051	Padlock Failure to Comply	COL0AA2	Authorized Agent - with NO Assessment Explanation
COL052	Revocation Hearing Agreement Letter	COL0AA3	Authorized Agent with Non Filed Tax Detail
COL053	Revocation Failure to Comply	COL0AA4	Authorized Agent with TOP Detail
COL054	Request for Corporate Information-SCC	COL0AA5	Authorized Agent - Debt Assessment Only

LETTER ID	TEMPLATE DESCRIPTION	LETTER ID	TEMPLATE DESCRIPTION
COL0AA6	Authorized Agent - US Treasury Vendor Offset	COL202	MOL Release - To T/P - Offline
COL0AA7	Authorized Agent - Vendor Offset Notice	COL203	MOL Release - To T/P - Online
COL0AA8	Authorized Agent - Vendor Offset W/O Notice	COL205	MOL - To Court - Online
COL100	Expedite Form	COL206	MOL - To Court - Offline
COL101	Non-Filer Only-Business Tax - Offline	COL207	MOL - To T/P - Online
COL102	Non-Filer- Online	COL208	MOL - To T/P - Offline
COL103	Part Pay 1st Letter - Intro	COL212	Part Pay -Request for Add'l Info-Individual
COL104	Consolidated Notice - Online	COL213	Part Pay -Request for Add'l Info-Business
COL105	Bankruptcy - Confirmed Plan - missing payment	COL214	Part Pay Interim Letter -Voucher Inserts
COL106	Part Pay Denied - Non-Filer	COL220	Third Party Lien-OCA-Wage-Source-offline
COL107	Consolidated Notice - Offline	COL221	Third Party Lien -OCA-Wage-Offline-TP
COL108	Padlock Failure to Comply (No Show)	COL222	Third Party Lien-OCA-Bank-Offline-Source
COL109	Notice of Estimated Personal Liability	COL223	Third Party Lien-OCA-Bank-Offline-TP
COL110	Revocation Failure to Comply (No Show)	COL224	Bankruptcy Proof of Claim 2 - Online
COL111	Padlock Process Closure (NULL)	COL230	PPA Bill Notice
COL112	Revocation Process Closure (NULL)	COL231	PPA New Bill Notice - Busn
COL113	MOL Process Closure (NULL)	COL232	PPA Web Notification
COL114	CWAR Process Closure (NULL)	COL233	PPA Web Notification - Busn
COL118	Third Party Lien Release - CS7 Auto Thank You	COL234	Legal Action Pending - Online
COL119	Third Party Lien Release - CS7 Manual	COL235	Part Pay Arrangement - Final Pmt Due
COL120	Third Party Lien - Wage - Offline - Source	COLATAC2	Attachment - Detailed Stmnt of Liabilities - Onlin
COL121	Third Party Lien - Wage - Offline - TP	COLATTA3	Attacht - Det. Stmnt of Liabilities - Offln - Padl
COL122	Third Party Lien - Bank - Offline - Source	COLATTAC	Attachment - Detailed Stmnt of Liabilities - Offln
COL123	Third Party Lien - Bank - Offline - TP	COLPEN1	Small Busn Penalty Waiver
COL128	MOL Cover Letter - To Court - Online	COLTOP1	TOP Certified Letter
COL129	Bankruptcy Proof of Claim - Offline	COLTOP2	Treasury Vendor Offset
COL131	Bankruptcy Amended POC- online	COLTOP3	Vendor Offset Notification
COL132	Bankrupcy Administrative POC-online	COLVCHR1	Third Party Lien Voucher
COL200	MOL Release - To Court - Offline	COVER	Cover Sheet used for some documents
COL201	MOL Release - To Court - Online	COVERLG	Cover Sheet for some documents - Legal size

Chapter 4

Field Visits, Meetings, and Incidents with Taxpayers

Field Agents should typically hold meetings at the taxpayer's place of business. **Field Agents should not conduct meetings with taxpayers in their homes.** The Field Agent or Supervisor must look for alternative locations to conduct meetings. The safety of all Field Agents is priority with Virginia Tax. The Field Itinerary must be completed at the beginning of each week of planned field visits and submitted to the Supervisor for approval, Exhibit 4a.

Field Visit or Meeting Preparation

To minimize cost, the Field Agent should check if a fleet vehicle is available for use. The Field Agent should review the account in AR and CACSG then make a history notation stating account was reviewed for field visit. Field Agent should print out the following for the field visit:

- Business Name and t/a name
- Business Location
- Responsible Officers Name
- Account Balance
- Nonfilers for all tax types

A Field Itinerary should be prepared in Google Sheets with the required taxpayer information. Instructions for downloading the Google Sheets app and how to complete the itinerary are listed below in Exhibit 4b. A Statement of Expectations must be given anytime there is face to face contact with the taxpayer or their legal representative, Exhibit 4c. Field Agents will be given labels with the Department of Taxation, P O Box 1775, Richmond, VA 23218 address. These labels will be attached to envelopes and provided to taxpayers seen in the field as an option to mail in payments and or returns.

Post Field Visit or Meeting

The Field Itinerary must be completed as soon and safely after the field visit as possible. The Field Itinerary is updated in real time. The Field Agent should document the events of the visit to include but not limited to date, location, with whom you made contact, any promises or demands made, and any other pertinent information related to the visit. Agent should also notate if a Statement of Expectations was given to the taxpayer. If the taxpayer refuses the Statement of Expectations, the Field Agent must document the refusal in CACSG. These notes can be copied from the Field Itinerary into CACSG using the field visit icon. The details of the visit with the taxpayer should be documented in CACSG within 24 hours.

Field Safety

A Field Agent should **NEVER** visit a taxpayer if they have a concern for their safety. If the area is a known area to have issues then it should be avoided or two Field Agents should go together.

When going into the field you should be aware of your surroundings and watch for any suspicious activity. Park your vehicle where you can make a quick exit if needed.

Incidents with Taxpayers

Any incidents with taxpayers include threats, bribe attempts, assaults and harassment by taxpayers and must be reported to the Field Agents Supervisor immediately. If a Field Agent deems the incident warrants reporting, they should leave the scene of the incident and call their immediate Supervisor. If the Supervisor deems the incident warrants official reporting, the Supervisor will direct the employee to complete a brief incident report. If possible, the Supervisor should make note on the account so other personnel will be aware of the problem with the taxpayer.

The Supervisor as well as Office of Compliance Administration and Human Resources will determine if the police should be notified and if other action is warranted.

Exhibit 4a - Itinerary in Google Sheets

	Field Collection Itinerary				
Date				Site Vist	
	Business Name	CACSG Case #	Business Address	1st Visit / Follow-up/ Closed	NOTES (to include - Time at location - Person spoken too - Action items - Funds collected - Funds promised - Comments

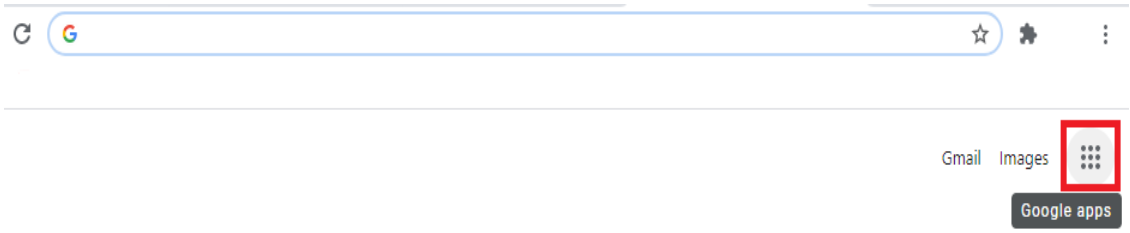
Exhibit 4b – Instructions for Installation and Application of Google Sheets on Tax Issued iPad

Instructions for Installation and Application Of Google Sheets on Your Tax Issued i-Pad

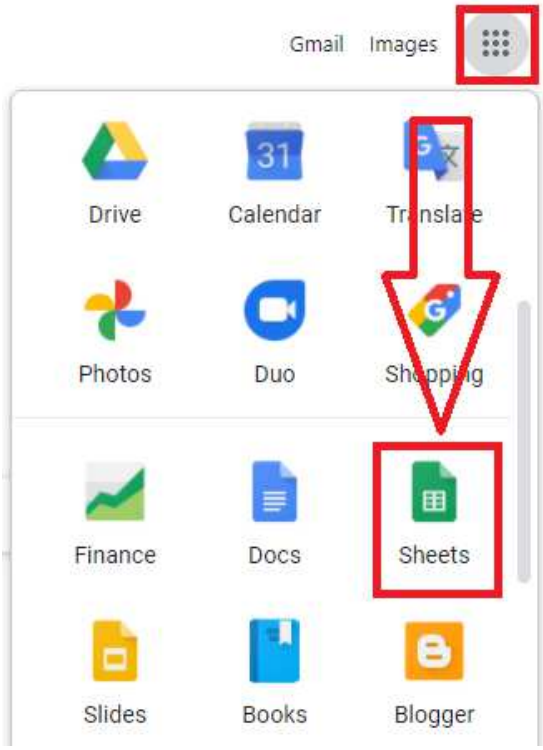
- Go to App Store on the i-Pad
- Search for Google Sheets
- Select "Get"
- You will need your Apple i-Pad password to install the Google Sheets Application
- Once the application has been installed on your i-Pad, you will need to log in with your tax.virginia.gov credentials. This allows Google sheets to sync the data files
    - The Field Itinerary Template will be accessed in Google Sheets.
    - The Field Itinerary Template will be shared with each Field Agent
        - Each Field Agent will have to make a copy of the Field Visit Itinerary Template in Google Sheets and rename it First Initial, Last Name and beginning week date of when the field work will be performed (example: "J. Doe Week of 1/1/2021")
- Field Agents will share their Field itinerary within the district that they are assigned and their Supervisor. The following is the email address that you will share your itinerary with:
    - tax-hampton_fieldcollections@tax.virginia.gov
    - tax-northern_fieldcollections@tax.virginia.gov
    - tax-richmond_fieldcollections@tax.virginia.gov
    - tax-western_fieldcollections@tax.virginia.gov
- Field visit itineraries must be completed no less than 24 hours before going to the field. Please plan your field visits in sequential order, as best as you can.
- Field visit itineraries will be created on a weekly basis, so the field agent must create a Google sheet for each week of field visits. The Itinerary may be edited through the week or while in the field. Examples include registration checks, adding additional accounts, unable to visit all that was planned.
- Field Agents will set up the Field Itinerary on their laptops and save the file. Once in the field, the spreadsheet will be accessible and editable on your i-Pad for documenting field visits.
    - Please enter field visit results as promptly and safely as possible after field visit; the data entered saves in real time, meaning that once data is entered and saved, it is available for viewing.

How to create a Google Sheet

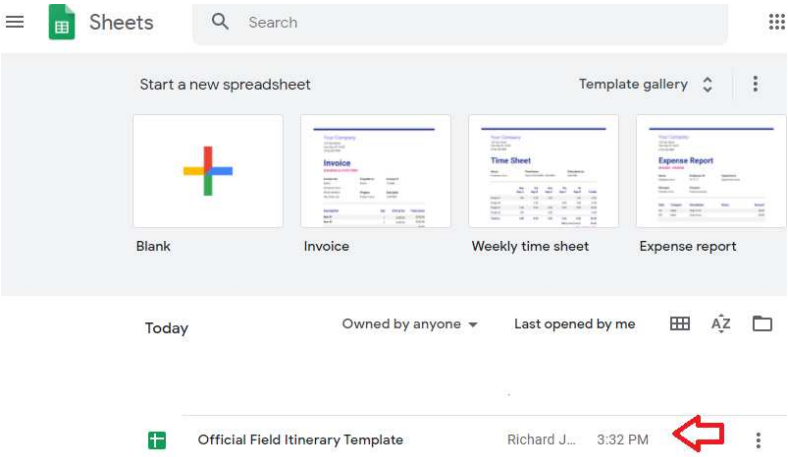
- You will create the Google Sheet from your laptop
- Open a new tab on Google Chrome
- In the top right hand corner, you will see the icon to select Google Apps.



- Click on Google Apps and scroll down the options until you see Google Sheets, then click on it.



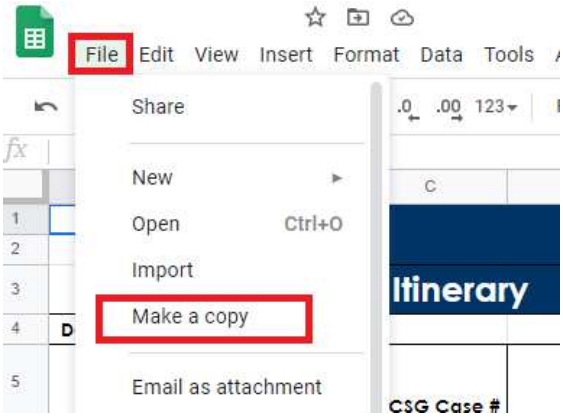
- Once you click on Google Sheets, you will see the available files. You should see your template saved here.



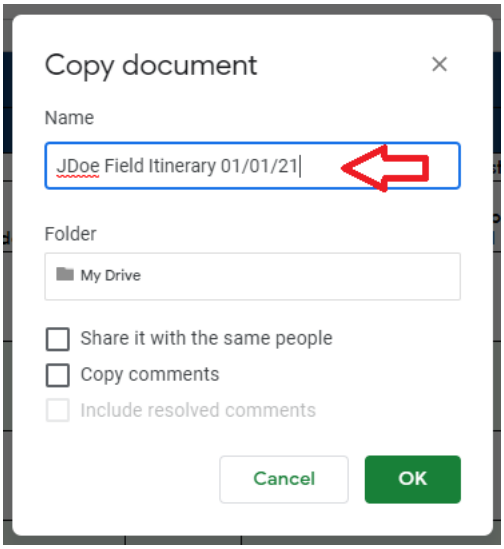
- Click on the “Official Field Itinerary Template”. Below is an image of the Field Itinerary:

	Field Collection Itinerary				
Date				**Site Vist**	
	Business Name	**CACSG Case #**	**Business Address**	**1st Visit / Follow-up/ Closed**	**NOTES (to include - Time at location - Person spoken too - Action items - Funds collected - Funds promised - Comments**

- Once the template is accessed: Click file then click **make a copy**.

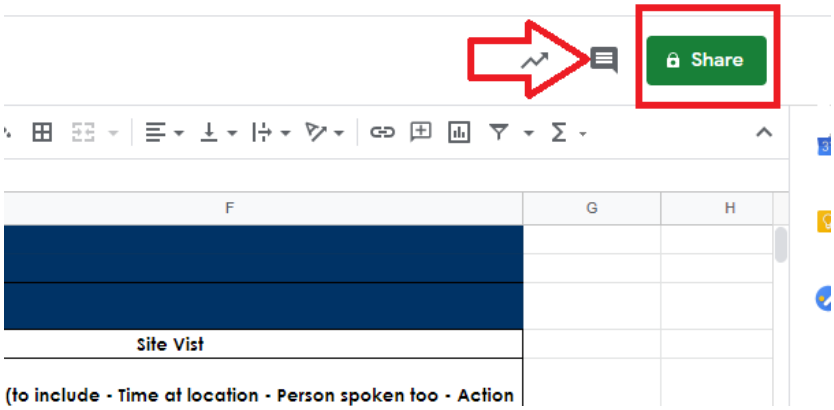


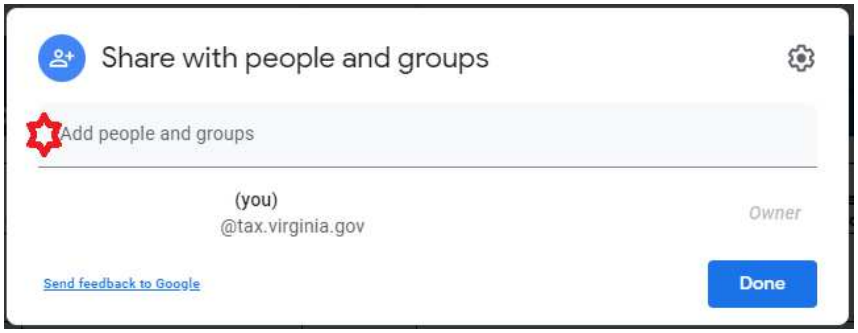
- Rename the worksheet using first initial, last name, and date field visits are being made, see example below:



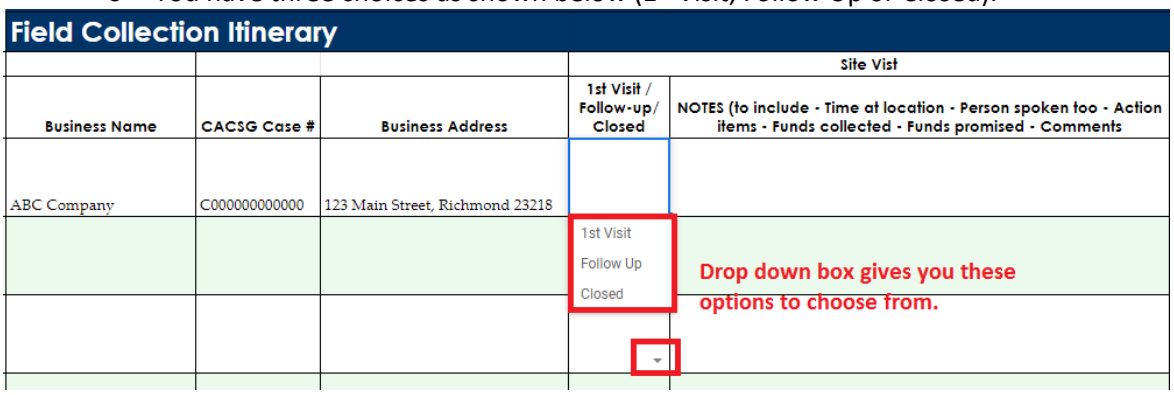
- Once the spreadsheet has been duplicated and renamed from the original template, it will need to be shared with each districts email:
    - tax-hampton_fieldcollections@tax.virginia.gov
    - tax-northern_fieldcollections@tax.virginia.gov
    - tax-richmond_fieldcollections@tax.virginia.gov
    - tax-western_fieldcollections@tax.virginia.gov
        - **Note: If your Supervisor is out on leave, please share itinerary with Acting Supervisor and district email.**

- In the top right hand column, click on Share. This is where the Field Agent will enter the appropriate email address for the district they work.





- The Field Itinerary is now ready for information to be entered.
    - You have three choices as shown below (1st Visit, Follow Up or Closed).

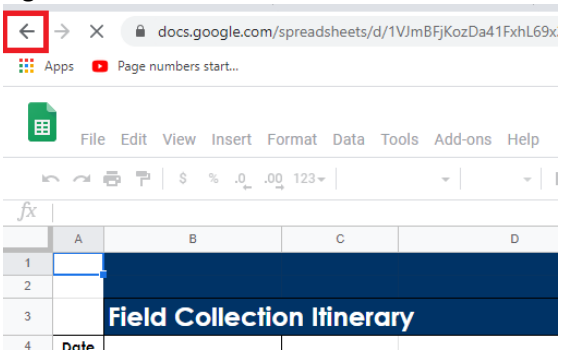


Field Collection Itinerary

			Site Vist	
Business Name	CACSG Case #	Business Address	1st Visit / Follow-up/ Closed	NOTES (to include - Time at location - Person spoken too - Action items - Funds collected - Funds promised - Comments
ABC Company	C000000000000	123 Main Street, Richmond 23218		
			1st Visit Follow Up Closed	Drop down box gives you these options to choose from.

	Field Collection Itinerary				
Date				**Site Vist**	
	Business Name	**CACSG Case #**	**Business Address**	**1st Visit / Follow-up/ Closed**	**NOTES (to include - Time at location - Person spoken too - Action items - Funds collected - Funds promised - Comments**
1/5	ABC Company	C000000000000	123 Main Street, Richmond 23218	1st Visit	9:30 am Field visit and spoke with Mr. Doe at ABC Company. Mr. Doe established a payment plan of $500.00 per week beginning xx/xx/xx until PIF. Each payment is to be deducted on Friday. He will get the missing ST return for April 2019 filed and paid by xx/xx/xx. Mr. Doe requested payments be made electronically each week. Mr. Doe gave me the bank name, account and routing number. He does not want an email confirmation.

- Once the Field Itinerary information has been entered, click the back button. This will take you the Main Page for Google Sheets.



- The Field Itinerary is now ready to be accessed in the field with your VATAX assigned I-Pad.

Helpful Reminders

- To enter text in Google Sheets Field Itinerary, you will need to double- tap in the text box to edit.

- Once Field Agent completes field visits and returns to the office to document CACSG and AR, the field visit notes can be copied and pasted to eliminate duplicate data entry.

- When sharing the Sheet, double check the email address you are sharing it with.

Exhibit 4c - Statement of Expectations (English and Spanish)

COMMONWEALTH of VIRGINIA

Department of Taxation

Field Collections Statement of Expectations

Field Agent – Name: _____ Phone Number: _____

What to Expect:

As a Taxpayer in the Commonwealth of Virginia and customer of the Virginia Department of Taxation (Virginia Tax), when a Field Agent comes to your place of business or home you shall always expect the following:

- To be treated professionally and with respect and dignity.
- To minimize any disruptions or significant impacts to your business operations.
- Safeguarding of all sensitive information against fraud, abuse, and unauthorized disclosure.
- A photo ID presented upon arrival identifying the Field Agent as an employee of Virginia Tax.
- If requested, a phone number shall be provided above to verify the Field Agent is a current employee of Virginia Tax.
- If the above statements have not been adhered to, please bring it to our attention at (804) 786-1879.
- The Taxpayer Bill of Rights is available in the "About Virginia Tax" section of our home page located at www.tax.virginia.gov.

Making Payments:

- Cash payments are not accepted under any circumstances, unless preauthorized in advance and two Virginia Tax Field Agents are present.
- A Field Agent can accept a payment from you ONLY if the payment can be processed electronically (via credit card or EFT payment).
- You will always get a receipt when you make a payment to a Field Agent.
    - If you provide an email address, a confirmation receipt notice will be sent to that email address.
    - If no email address is available, a paper receipt or a confirmation number will be provided.
- You may also choose one of the following payment services to pay online.
    - QuickPay
    - Online Credit Card Payment
- You may file your returns online using one of the many Business and Individual online service methods.
- If you choose to send a payment via mail, please include (1) the account number and bill number on the check and (2) relevant copies of documentation to ensure the payment is made to the correct corresponding account(s). The mailing address for all payments is:

  Virginia Department of Taxation
  P.O. Box 1775
  Richmond, VA 23218-1775

SOE – Rev. 12/2019

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COMMONWEALTH of VIRGINIA
Department of Taxation

Declaración de Expectativas de Colección de Campo

Agente de Campo – Nombre: _____ Número de Teléfono: _____

Que Debe Esperar:

Como Contribuyente en el Commonwealth de Virginia y cliente del Departamento de Impuestos de Virginia (Virginia Tax), cuando un Agente de Campo viene a su lugar de negocios u hogar, siempre esperará lo siguiente:

- Ser tratado profesionalmente, con respeto y dignidad.
- Minimizar cualquier interrupción o impacto significativo en las operaciones de su negocio.
- Protección de toda la información sensible contra el fraude, el abuso y la divulgación no autorizada.
- Un documento de identificación con foto presentado a su llegada identificando al Agente de Campo como empleado de Virginia Tax.
- Si se solicita, se proporciona un numero de teléfono adjunto en este documento para verificar que el Agente de Campo es un empleado actual de Virginia Tax.
- Si las declaraciones anteriores no han sido adheridas, por favor contáctenos al (804) 786-1879.
- La Carta de Derechos del Contribuyente está disponible en la sección "About Virginia Tax" de nuestra página de inicio www.virginia.tax.gov.

Realización de pagos:

- Los pagos en efectivo no se aceptan bajo ninguna circunstancia, a menos que se autoricen por adelantado y dos Agentes de Virginia Tax estén presentes.
- Un Agente de Campo puede aceptar un pago de usted SOLAMENTE si el pago puede ser procesado electrónicamente a través de tarjeta de crédito o información de su cuenta bancaria (EFT).
- Siempre recibirá un recibo cuando realice un pago a un Agente.
  - Si proporciona una dirección de correo electrónico, se enviará un aviso de confirmación de recibo a esa dirección de correo electrónico.
  - Si no hay dirección de correo electrónico disponible, se proporcionara un recibo en papel o un número de confirmación.
- También puede elegir uno de los siguientes servicios de pago para pagar en línea.
  - QuickPay (información de cuenta de banco)
  - Pago con tarjeta de crédito en línea
- Puede presentar sus devoluciones en línea, utilizando uno de los diferentes métodos de servicio en línea Individuales y Empresariales.
- Si decide enviar un pago por correo – incluya el número de cuenta y de factura en el cheque e incluya las copias pertinentes de la documentación para asegurarse de que el pago se realiza a la(s) cuenta(s) correspondiente(s). La dirección postal es:

  Virginia Department of Taxation
  P.O. Box 1775
  Richmond VA 23218-1775

SOE – Español – Rev. 12/2019

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Chapter 5

Collection Tools

Field Agents collect delinquent taxes and enforce compliance through a variety of processes and procedures including phone calls, secure emails, correspondence and/or faxes, field visits, and legal actions. There are many tools available to assist the Field Agent with collections and enforcing Virginia Tax Laws. Actions such as making estimated tax assessments, accepting and establishing payment agreements, issuing third party liens, issuing subpoenas and summonses, and initiating legal actions such as memorandums of lien, Revocations of Certificates of Registrations, Padlocks, and Criminal Warrants are useful tools in collecting unpaid assessments.

Collection Notices

Collection notices are types of correspondence sent to the taxpayer stating there is a delinquent balance due and/or returns that have not been filed. These notices warn the taxpayer of actions that may be taken by Virginia Tax if the balance is not paid and/or past due returns are not filed and paid. These notices range from requests for information, returns or payment, to warnings of civil or legal actions.

Collection notices are generated through CACSG and mailed from Central Office through a batch mailing process. Some notices are subject to Supervisor review and approval. CACSG records issuance of collection notices in the account history and copies of the correspondence can be viewed and printed by selecting CACSG History and Correspondence View. **Batch printing is the preferred option over local printing whenever possible.**

Payment Agreements

Field Agents are authorized to accept and establish payment agreements when taxpayers cannot pay the full amount of the balance due. (Code of Virginia §58.1-1817) A payment agreement can be an effective collection tool. Payment agreements can be established by: phone, through the automated Tele-Plan system, and online through the tax website. Penalty and interest continue to accrue on the outstanding balance during the term of the agreement. See Chapter 15 - Payments for detailed information regarding establishing a payment plan for both individual and business debt.

Reviewing an Account Prior to Establishing a Payment Agreement

The Field Agent must review the account prior to accepting a payment agreement from a taxpayer. All returns must be filed and assessed before a payment agreement can be established. The following should be reviewed when considering a payment agreement:

- **Account History:** If there is, a history of defaulted payment agreements the Field Agent may decline the request or require the payments to be received via Collectors App (iPad), EFT payment plan option, or certified funds. Field Agent should identify if the taxpayer is a non-habitual or habitual offender as defined below.
    - Non-Habitual (NH) is defined by:
        - First payment arrangement, and no prior defaults due to non-payment,

        - Review of AR (not all show in CACSG) to ensure all current taxes are filed and paid prior to keying payment plan,
        - Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisor's worklist.
    - Habitual (H) is defined by:
        - Prior payment arrangements defaulted due to non-payment,
        - Defaults due to the creation of sales or withholding nonfilers or failure to pay current taxes,
        - Resets are permitted over three times for defaults due to (new nonfiler for litter, corporate tax or VA6)
        - Review of AR (not all show in CACSG) to ensure all current taxes are filed and paid prior to keying payment plan,
        - Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisor's worklist.
    - **Field Agent must uncheck the Re-establish eligible box when creating a new payment plan to limit accessibility for the habitual offenders from creating multiple plans online or tele-plan.**
- **Current Memorandum of Lien on File**: Payment agreements may be established without issuing a MOL, but it is recommended especially for high dollar and/or high-risk accounts or accounts where previous payment agreements have defaulted.

Discussing/Negotiating Payment Agreements with the Taxpayer

When discussing and negotiating payment agreements the Field Agent must establish the agreement within the payment plan terms. Any payment plans that exceed 24 months must be approved by a supervisor. The Field Agent must explain that the agreement is being established to resolve delinquent taxes and all current taxes must be filed and paid timely.

Creating a Payment Agreement

Payment agreements are created and monitored in CACSG. Agreements can be created with monthly or semi-monthly payments. Agents are encouraged to set payment agreements with electronic financial transactions (EFT). When a payment agreement has been established in CACSG the system issues a letter outlining the terms of the agreement. EFT agreements with an email address will receive a notification a few days before the payment is processed. If the agreement is non-EFT, a reminder notice with a payment voucher is sent to the taxpayer 15 days prior to the due date. Therefore, the initial payment should be no less than 15 days from the date it is set up to allow time for the introduction letter and first payment voucher to be received by the taxpayer.

EFT Payment Plans

All payment agreements may be set-up for electronic financial institution debits. Any taxpayer that has defaulted a prior non-EFT payment agreement more than one time should be considered for an EFT payment agreement. The taxpayer's financial institution information is listed on the second page of the CACSG payment plan set-up screen. The EFT option must be accepted after the financial institution information is entered.

iPad Payment Plans

Payment plans may be set up for payments to be processed through the Collectors Application on the Field Agent's tablet (iPad). The Field Agent will accept payments on the iPad when the taxpayer wants to

pay with terms that the CACSG system is unable to accept. See Chapter 15, Payments, for detailed information on how to process iPad payment plans.

Approving Payment Agreements

Field Agents have the authority to create payment agreements for a period up to 24 months and a liability up to $100,000.00. Agreements over and above these limitations will be routed in CACSG to the Supervisor for approval. If payment plan needs Supervisor approval then Agent must notify their Supervisor to approve the payment plan.

Denying Payment Agreements

Payment agreements may be denied based upon prior payment defaults, returns that have not been filed, or an unreasonable request.

Monitoring Payment Agreements

The CACSG system monitors accounts in payment agreement status. Any failure to meet terms of the agreement triggers the system to move the account to default status.

Defaulted Payment Agreements

Payment agreements will default upon failure of the taxpayer to remain current with all tax filings. New assessments on the account and/or failure to maintain timely payments will also cause the payment agreement to default. Once the default occurs, the CACSG system will automatically route the account to a default state for collection action. Unlike payment agreements established by DCU, or via Teleplan, plans assigned to Field Agents will not automatically be sent a payment agreement default letter. It is the responsibility of the Field Agent to issue the payment agreement default letter.

Online Payment Agreements (Web PPA)

Taxpayers may login to their iFile account to setup a payment agreement or to view details of the existing payment agreement (next payment amount, due dates, current balance, payment history, and payment method) and make changes to the agreement.

Tele-Plan

Taxpayers may call (804) 440-5100 to establish a payment agreement through Virginia Tax Tele-Plan System. Tele-Plan will request certain prompts from the taxpayer and if certain criteria are met, the taxpayer will be permitted to establish a payment agreement via phone. Tele-Plan will not allow payment agreements if the account is in legal status, if the requested period for payoff is too long, or if the amount of payment is too small. Accounts with denied Tele-Plan requests are routed to DCU.

Third Party Lien

A third party lien is a claim that is issued to a third party (asset or lien source) such as a financial institution, employer, or any person holding the taxpayer's interest and assets. Field Agents have the authority to issue third party liens as a claim against monies held for, or due to be paid to taxpayers. These payments received are applied to the taxpayer's delinquent taxes. (Code of Virginia §58.1-1804)

A wage lien applies to 25% of the net wages, commission or salary due to the taxpayer named on the lien unless hardship is established until paid in full.

A bank and/or property lien applies to 100% of the amount of funds available, rent, commission or interest due up to the balance including taxes, penalties and interest for the taxpayer named on the lien unless hardship is established. These liens will seize all available funds up to the balance due and **require at least one** contact documented via phone or field visit on the account within 30 days of the lien being issued.

Third party liens are issued through CACSG and are classified as correspondence (COL038G and COL039G). A copy of the lien is sent to the taxpayer at the same time it is sent to the lien source/asset.

Finding Lien Sources/Assets

An asset (lien source) must be recorded in CACSG before a third party lien can be issued. An automated process captures financial institution information and stores it in CACSG when checks are received as payment. Field Agents often use various other sources to locate assets or lien sources and manually enter them in CACSG Assets. Below are examples of possible lien sources/assets:

- **Employers:** Entering the taxpayer's social security number in the Virginia Employment Commission (VEC) system may provide a wage lien source (Chapter 25, Using Technology);
- **Bank Accounts:** Entering the customers/taxpayer's social security or FEIN numbers in the Department of Motor Vehicle (DMV) system and making a current vehicle lien inquiry may provide a possible source for additional financial institutions (Chapter 25, Using Technology);
- **Image Retrieval/Image Viewer:** Viewing tax returns and other information may reveal financial institutions or employer information;
- **Credit Cards:** The Field Agent can make note of any proof of credit cards accepted at the business. If the taxpayer accepts credit cards such as American Express or Discover Cards, a third party lien can be issued for any payments due the taxpayer from these companies;
- **Discovery through Routine Field Work:** During the course of routine fieldwork and contact with taxpayers, Field Agents often find lien sources such as individuals/businesses making rent or lease payments to the taxpayers, accounts receivables, individuals or businesses making sales on behalf of the taxpayer (e.g., consignments, auctions), etc.;
- **AR:** Check financial institution and routing information screens and cross reference to individual banking and routing information for sole proprietor, partners, or officers associated with an account;
- **CLEAR Report Request**: The Field Agent can request a clear report from their Senior Field Agent which may provide additional collection information;
- **LexisNexis:** The Field Agent can request a LexisNexis report from their Supervisor which will provide collection information. Supervisors can only access the reports on Monday, Wednesday and Friday due to limited licenses. Supervisors can only review reports and send screen shots of information found.

Assets Exempt from Third Party Liens

Federal and State law prohibits certain property from be taken by a third party lien. If the Field Agent receives information indicating assets are exempt, they must request documentation that supports the claim. The following is a list of some third party lien exemptions:

- Social Security and Supplemental Security Income (SSI);
- Veteran's Benefits;
- Federal Civil Service Retirement Benefits;

- Black Lung Benefits;
- Longshoremen and Harbor Workers Compensation Act Benefits;
- Unemployment Compensation Benefits;
- Public Assistance Payments;
- Worker's Compensation;
- Custodial accounts established for minors;
- Child support payments;
- Taxpayers can request hardship waiver to reduce the amount of payment on a lien. The hardship table is located on the taxpayer's copy of the lien.

Any liens issued against the property listed above should be released immediately. If the taxpayer is claiming an exemption on other property, documentation must be requested and the Field Agent should refer the request to their Supervisor for evaluation.

Taxpayer Contact

The Field Agent may receive contact from the taxpayer requesting release of the lien. Generally, third party liens are not released unless the taxpayer has proof of payment in full (i.e. paystub or bank statement showing payment in route and not yet posted to the account). The documentation should be sent via secure message or secure email from the taxpayer and added to the account in CASCG. Any other request to release an unpaid balance on a lien should be evaluated on a case-by-case basis and must be approved by the Supervisor and notating on the account.

Lien Source/Asset Contact

The lien source may contact the Field Agent with questions about the lien. Employers may have questions about hardship claims and the Hardship Table that is included with the third party lien. Confidentiality / disclosure procedures should be followed, but the Field Agent may discuss the information on the Asset Source copy of the lien and answer questions about the process.

Third Party Liens and Payment Agreements

When a third party lien is issued, taxpayers often request a payment agreement in lieu of the third party lien. Generally, once a lien is issued, a payment agreement is not accepted from the taxpayer. However, if hardship is claimed and the taxpayer is compliant with the filing (not necessarily paying) of the last three years/periods, the Field Agent may agree to reduce the garnishment deduction to 12% of net wages each paycheck until the account balance is paid in full. If the taxpayer is not compliant, they must provide a financial statement, copies of major bills, and a letter explaining their hardship to receive the same reduction in percentage. This documentation must be attached to the account upon providing a reduction for non- compliant taxpayers. Bank lien modifications can completed at discretion of each field agent with the compliance requirement or hardship documentation provided. Supervisor approval is needed for exceptions to the filing or document requirement. The approving supervisor must note the account of this approval. The penalty and interest continue to accrue on the account unpaid balance. For these accounts, a payment agreement *is not* established in CACSG. The account remains in the third party lien state provided regular payments be received.

Third Party Lien Adjustments

A Third Party Lien Adjustment (COL044) can be issued through CACSG if there is a need to adjust the balance, extend the due date, or adjust the amount being deducted.

Third Party Lien Release

A third party lien can be released by issuing a Third Party Lien Release (COL002 or COL119). Examples of situations where a third party lien should be released are listed below:

- It is determined the lien was issued against assets that are exempt by law.
- It is determined that the bill(s) listed on the lien are not valid.
- After the lien was issued, information was provided showing the taxpayer has a current bankruptcy case.

Third Party Lien Follow-Up

When a third party lien is issued, the Field Agent must follow-up with results from the lien. Bank and wage liens are issued for a period of 30 days. If the lien source/asset holder does not respond by sending payment, or notification as to why payment was not made by the due date listed on the lien, the Field Agent must contact the lien source. Contact can be made by phone to inquire about the status of the lien or a Third Party Lien Follow-Up Letter (COL003) may be issued to the lien source/asset through CACSG.

In cases where there is no response or a refusal to honor, a lien a summons may be issued for the lien source/asset to appear in court. If the lien source/asset refuses to honor or respond to the lien, the Field Agent should refer the matter to their Supervisor. Results of a third party lien must be entered in CACSG history.

Memorandum of Lien

A Memorandum of Lien (MOL) is a claim against real property docketed in a county or city court for payment of debt, obligation, or duty. The lien on real estate becomes effective at the time the MOL is recorded and serves as a judgment in favor of the Commonwealth of Virginia. A MOL is valid for 20 years and stays on a taxpayer's credit history for seven years. (Code of Virginia §58.1-1805) A docketed MOL protects the Commonwealth's claim for payment of a debt and is an effective collection tool. MOLs are issued through CACSG by initiating a legal action.

Criteria for Issuing a Memorandum of Lien

A MOL can be issued for assessments that have not been paid within 30 days from the date of assessment. The taxpayer must be given a minimum ten day written notice of intent to file a MOL. MOLs cannot be issued for individual income tax debts after six years from the assessment date (Code of Virginia §58.1-313.B). A notice of intent to file a MOL is not required if the Tax Commissioner determines the collection of any tax, penalties, or interest will be jeopardized by the provision of a ten day notice. When such a determination has been made, notification of intent to file a MOL can be provided to the debtor concurrent with the filing of the MOL. (Code of Virginia §58.1-314)

Handling Memorandum of Lien Inquiries

The Field Agent may receive contact from taxpayers, financial institutions, accountants, attorneys, etc., regarding a MOL. When a MOL is recorded in the city or county court it becomes public record. Therefore, information on the lien can be discussed without a power of attorney.

Taxpayer Inquiries

Taxpayers may request information about MOLs and/or request release of a MOL. Generally, a MOL is not released until the current balance of all assessments listed on the MOL are paid. If there is indication of an error on the MOL or if the taxpayer is requesting a partial release, the matter must be referred to a Supervisor.

Inquiries from Attorneys, Financial Institutions, and Loan Institutions

Virginia Tax often receives requests for the current balance of bills on a MOL, the pay-off balance, from attorneys and financial institution officers when they are working on closing loans and/or real property transfers. Balance updates, lien modifications and payoffs may be sent to a verified third via secure email or fax. MOLs are documents of public record and the balance for bills included on a MOL can be provided. However, the person making the inquiry must provide the Field Agent with the date that the MOL was recorded, the county or city where it was recorded, and the docket/instrument number or book and page number of the recording. A Judgment Payoff letter, COL030, is available in CACSG Legal Action, Take Subsequent Legal Action.

Memorandum of Lien Follow-Up

The court's copy of the MOL includes a court acknowledgement copy that is returned to Virginia Tax containing court recording information. When a MOL is issued by a Field Agent the MOL is batch printed and a stamped, self-addressed envelope will be forwarded to the court. The court acknowledgement copy will be returned directly to Virginia Tax. The Field Agent must review the account to ensure the date of recording, book and page number and/or instrument/docket number is located under Legal Actions in CACSG.

This is important, because the recording information must be in place when executing the padlocking process and when releasing a MOL. If the recording information has not been provided within 30 days from the date of issuance the Field Agent should follow-up by contacting the court clerk for recording information.

Releasing a Memorandum of Lien

A MOL will be automatically released by CACSG if there are no unpaid assessments. The Release is mailed to the circuit court clerk of the recording location and a copy is mailed to the taxpayer. Automatic releases do not involve any action from the Field Agent.

Some situations will require manual release of a MOL by a Field Agent. The decision to manually release an MOL is determined on a case-by-case basis by the Field Agent and their Supervisor. A manual release is issued through Legal Actions in CACSG.

Partial Vacate or Vacate Memorandum of Lien

When it is determined that a taxpayer is not responsible for debts included on a recorded MOL, the MOL can be vacated. The determination to vacate a MOL must be approved by a Supervisor. Vacating or partially vacating a MOL should not be discussed or offered to a taxpayer without prior discussion with a Supervisor. The customer must provide documentation to prove they are not responsible for the recorded MOL debts (e.g., a military leave and earning statement or a tax return filed in another state). This documentation is forwarded to a Supervisor who then issues the Vacate through Legal Actions in CACSG.

If a secondary taxpayer's name has been included on a recorded MOL and they are not responsible for the recorded debt(s), a Memorandum of Lien Partial Vacate as to Name Only letter is issued to the circuit court where the MOL was recorded. The Memorandum of Lien Partial Vacate is issued through Legal Actions in CACSG and will be routed to the Supervisor for approval. The taxpayer must provide the necessary documentation to prove they are not responsible for the recorded MOL debt(s).

Acceptable documentation for proving no responsibility for the bills listed on a MOL includes:

- Corporate charter
- Divorce Decree
- Military leave and earnings statement
- Tax return filed in another state for the year(s) in question

Memorandum of Lien Subordination

Virginia Tax may agree to subordinate a MOL in certain situations, e.g., a taxpayer owns two tracts of real property. One tract of the real property is in foreclosure and Virginia Tax agrees to subordinate the MOL for the tract of property in foreclosure to the Deed of Trust held by the financial institution. A Memorandum of Lien Subordination (COL058G) is issued through Legal Actions in CACSG and will be approved by the Supervisor.

Expunge a Memorandum of Lien

Expunging a MOL is the removal of the document from court records at the Order of a Judge. An actual hearing before a Judge may be necessary to expunge a MOL. All requests must be referred to the Supervisor.

Notice to Appear in Lieu of Summons

The Notice to Appear in Lieu of Summons (Notice to Appear) is a collection tool used to establish personal contact with a taxpayer and to obtain returns, payments, or information. The Notice to Appear in Lieu of Summons (COL021G) is issued from CACSG and can be sent by regular or certified mail or personally delivered to the taxpayer. A Notice to Appear instructs the taxpayer to bring the requested information to the Field Agent at a specific location, at a specific date and time. The Field Agent must arrange to meet with the taxpayer at a place which is adequate for confidential tax account discussions such as a local Commissioner of the Revenue office or State agency.

If the taxpayer fails to respond to the Notice to Appear the Field Agent may refer the account to their Supervisor for issuing a summons to compel the taxpayer to come forward and provide the missing returns and/or information (Chapter 6, Hearings, Padlock, and Revocation).

Subpoenas and Summonses

The Tax Commissioner may, in all matters within his jurisdiction, issue and have served, any writ, notice, process, order, or order of publication which by law may be awarded by or to any court in the Commonwealth of Virginia for the purpose of compelling the attendance of witnesses, production of records, and for the enforcement of his findings, orders and judgments. (Code of Virginia §58.1-216)

Subpoena Duces Tecum

A Subpoena Duces Tecum is an avenue used by the Tax Commissioner, or his delegates (currently Supervisors), to summon a taxpayer, taxpayer representative, or any related record keeper to produce certain books and records to the assigned Field Agent by a certain date.

Subpoenas may request the following:

- Bank signature cards
- Cancelled checks, financial institution statements and deposit tickets.
- Actual records of the taxpayer which may include accounts receivables, sales invoices, payroll ledger, or disbursements ledger.

A subpoena may be used to force the taxpayer to produce records for actual tax assessments, to determine responsible officers, and find additional lien sources. The subpoena is also used to gather information to support evidence of intent in criminal cases.

Subpoena Duces Tecums are generated in the CACSG by the Supervisor. The Supervisor's signature must be notarized. The Subpoena is then delivered by the Field Agent or law enforcement officers. Circumstances will dictate if the requested records may be forwarded by mail to Virginia Tax or collected by the Field Agent.

Writ of Fieri Facias

A Writ of Fieri Facias is a legal document signed by the Tax Commissioner, or his delegates, which commands the Sheriff to levy the goods and chattels of the taxpayer and make the amount a judgment. Prior to issuing a Writ of Fieri Facias a valid MOL must be on file and recorded in the circuit court. The recordation of the Writ of Fieri Facias perfects the MOL and allows it to be enforceable against the personal and business assets of the taxpayer. The Writ of Fieri Facias allows Virginia Tax to seize and sell personal and capital assets of the taxpayer such as automobiles, business equipment and/or business inventory.

The use of a Writ of Fieri Facias is often a last resort and careful consideration must be given to the process. Investigation by the Field Agent should determine adequate equity in the personal and/or business property to justify the action. The investigation process may involve detailed research of financial statements and the priority of other judgments at the circuit court clerk's office. It is the decision of the Supervisor to recommend this type of action to the Tax Commissioner.

The Writ of Fieri Facias is generated from CACSG (COL010G) by the assigned Field Agent and routed to the Supervisor for review. If approved, the Supervisor routes the document to the Compliance Support Unit (CSU) in Central Office to be processed and routed to the Tax Commissioner for signature.

Upon receipt of the approved Writ, the assigned Field Agent delivers the document to the Sheriff. In turn, the sheriff's office visits the physical premises, takes an inventory of the personal property, and records the Writ in the circuit court clerk's office. The sheriff's office will advertise the items for sale in the local newspaper in such a way to comply with legal requirements. An auctioneer will handle the sale and the proceeds are distributed based on priority of recorded judgments after payment of the administrative costs.

Jeopardy Assessments

Jeopardy assessments are issued under circumstances where it is determined that the collection of income, employer withholding, or sales and use tax, including penalty and interest, will be jeopardized by delay. (Codes of Virginia 58.1-313, §58.1-473, and §58.1-631)

The jeopardy assessment process is an effective collection tool when there is reason to believe the taxpayer may be a flight risk or may be in the process of liquidating assets that could be used to pay delinquent taxes. This process bypasses or expedites processes that ordinarily require Virginia Tax to give the taxpayer notice and a specified time period in which to respond before collection action is initiated.

When a Field Agent has reason to believe the collection of taxes are at risk if there is a delay in initiating collection action, the Field Agent should refer the account to a Senior Field Agent or Supervisor. If the Supervisor agrees, then a request for having the deficiency in tax declared to be in jeopardy should be submitted to the CSU Supervisor. The CSU Supervisor will begin the process and complete the necessary forms for review and signature by the Tax Commissioner. If the Tax Commissioner declares collection of the tax, penalty, and interest to be in jeopardy, the signed declaration will be returned to the CSU Supervisor and then to the Supervisor. The Field Agent will deliver the notice demanding immediate full payment upon receipt of the jeopardy declaration. A Notice of Intent to File a Memorandum of Lien letter may be delivered concurrent with the demand for payment. If payment is not received the Field Agent can deliver the MOL to the court clerk for recording.

Exhibit 5a – Quick Reference for Establishing Payment Plans and Issuing MOL's

DCU Collections Quick Reference for Establishing Payment Plans and Issuing MOLs

The purpose of this document is to provide guidance for DCU staff when setting payment a plan (PPA) and issuing a Memorandum of Lien (MOL) for taxpayers.

Non-Habitual (NH) Taxpayers	Research & Review	Resolution
• First partial payment agreement (PPA) and/or no prior defaults due to non-payment • Taxpayer is compliant (returns current for last three years) • Taxpayer submitted OIC and was denied	• Review of AR (ensure all current taxes are filed and paid prior to keying PPA) • If OIC was denied, review AR bill stop(s) for the reason Other/Needs to Pay or Set up PPA • Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL) • Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisors' worklist	• Process down payment detailed below, future dated through quick pay OR • Two-part pay prior to establishing new or resetting an agreement • If OIC was denied, release the AR bill stops with reason Other/Needs to Pay or Set up PPA • If PPA requires approval, send review request to your TL via email • If bill is eligible, Issue MOL intent letter • Send bank lien adjustment, if applicable.

Balance Due	Maximum PPA Length	Minimum Down Payment (Use negotiation skills)	Claims Hardship (non-COVID)	COVID Hardship/Catastrophic Event due to Natural Disaster	Supervisor Approval	Issue MOL Intent Letter
0-$4,999	12 months	• 10% of total due (individual income tax) • 20% total due (business taxes) **OR** • 10% of new bill due (individual income tax) • 20% of new bill due (business taxes) **OR** • Negotiate bank lien to 20% for down payment	• 3-month plan with balloon. Financial statement required. • Two-part agreement with first three months at an affordable amount, minimum $25 for individuals, $100 for business. • Taxpayer must be compliant	• 3-month plan with balloon. Financial statement NOT required. OR • Reset PPA up to 40 days out to delay payment. This may be approved at the employee level up to 3 times. • Taxpayer is not required to be compliant	No	• Issue if bill(s) total over $3,000 • Advise the taxpayer: ○ An MOL intent letter will be mailed in addition to the PPA agreement ○ The intent letter can be disregarded as long as the PPA does not default due to non-payment
$5,000-$14,999	24 months				No	
$15,000-$34,999	36 months				Yes	
$35,000 and above	48 months				Yes	

Habitual (H) Taxpayers	Research & Review	Resolution
• Prior PPA defaulted due to non-payment • Defaults due to the creation of sales or withholding non-filers or failure to pay current taxes • Resets are permitted over three times for defaults due to (new non-filer for litter, corporate tax or VA 6) • Taxpayers who have defaulted more than three times due to non-payment are no longer eligible to establish payment plans	• Review of AR (ensure all current taxes are filed and paid prior to keying PPA) • Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL) • Supervisor Approval may be required due to amount of PPA.	• Uncheck the ***Re-establish Eligible*** box in CACSG when creating the new plan to limit access to web and tele-plan options. • Process down payment detailed below, future dated through quick pay OR • Two-part pay prior to establishing new or resetting an agreement. OR • If PPA requires approval, send review request to your TL via email • If the bill(s) is eligible, issue MOL • Send bank lien adjustment, if applicable • If taxpayer is no longer eligible for a PPA, provide payment options and educate on collection process including liens

Balance Due	Maximum PPA Length	Minimum Down Payment (Use Negotiation Skills)	Hardship Options (non-COVID)	COVID Hardship/ Catastrophic Event due to Natural Disaster	Supervisor Approval	Issue MOL
0-$2,499	6 months	• 10% of total due (individual income tax) • 20% total due (business taxes) OR • 10% of new bill due (individual income tax) • 20% of new bill due (business taxes) **OR** • Negotiate bank lien to 20% for down payment	• 3-month plan with balloon. Financial statement required. Minimum $25 • Two-part agreement with first three months at an affordable amount, minimum $25 for individuals, $100 for business. • Taxpayer must be compliant	• Taxpayer is not required to be compliant • 3-month plan with balloon. Financial statement NOT required. Minimum $25 OR • Reset PPA up to 40 days out to delay payment. Approved at the employee level up to 3 times	No	• Issue MOL for all eligible habitual taxpayer bills that total more than $3,000. • Ensure bill is within 6 year statute • Ensure bill has not been included in MOL previously issued
$2,500-$9,999	12 months				No	
$10,000-$17,999	18 months				No	
$18,000 and above	24 months				Based on amount	

Chapter 6

Hearings, Padlock, and Revocation

Virginia Tax uses Padlocking, Revocation of Sales Tax Certificates of Registration and Criminal Warrants for resolving high risk, chronically delinquent accounts. These are the highest level, most serious collection activities of the collection/compliance enforcement process. The Padlocking and Revocation processes and/or Criminal Warrants are initiated as a last resort when all other collection efforts have failed. Hearings are conducted to determine if a business should be padlocked, if the Sales Tax Certificate of Registration should be revoked, or to determine the responsible party of the business.

Padlock Hearing Process

If standard collection efforts and actions do not produce results to resolve an account, the account may need to be referred for a hearing (Revocation Hearing, Code of Virginia §58.1-613.D)

A Padlock Hearing is an administrative process conducted by a Hearing Officer. The Hearing Officer has the authority to make agreements for resolution, determine responsible party for unpaid taxes, require a cash or surety bond as a condition of continued operation, and to order the business to be padlocked or the Sales Tax Certificate of Registration revoked.

Hearing Account Assignment

Prior to issuing the hearing notice an account that has been scheduled for a Padlock or Revocation Hearing, the account should be routed to the Pending Padlock Hearing (DX71) or Pending Revocation Hearing (DX81) work states in CACSG. The account will be reassigned to the Senior Field Agent once the hearing has been scheduled.

Supervisor Review

The Field Agent shall submit a Padlock Referral Form, Exhibit 6b, to their Supervisor or assigned Senior Field Agent. The Supervisor or Senior Field Agent will review each account to determine if a hearing is appropriate. If additional action is needed, the Supervisor or Senior Field Agent will refer the account back to the Field Agent to complete all collection actions that are prerequisite to the hearing process.

Scheduling

The Hearing Officer will reserve the hearing space and choose a Hearing date. The Hearing Officer will send an invitation through Gmail to the Senior Agents and/or Supervisor to attend. A Hearing Schedule will be posted on Google Sheets under Padlock Hearing Schedule, exhibit 6a The Senior Agents in each district will work together to complete the hearing schedule. At any time, the Senior Agent can contact the Hearing Officer to request that a hearing date be scheduled when special circumstances apply (e.g., large balance or high risk accounts.)

Hearing Notices

Taxpayers must be given a minimum ten business days or 14 calendar days for notice of the hearing. The notice is prepared in CACSG by the Senior Field Agent. The hearing notice must be sent by certified mail

or personally delivered to the taxpayer. If sending by certified mail, the notice must be mailed a minimum of 14 days before the hearing, allowing additional time for mail delivery. If the notice is delivered, a Receipt for Hand-Delivered Mail (COL081) must be prepared with the notice.
When delivering a hearing notice to a business, the Senior Field Agent should attempt to make contact with the owner, corporate officer, or person authorized to receive confidential tax information. When the owner or authorized individual is available, the Agent must explain the hearing notice and a signature obtained on the delivery receipt. If the owner or an authorized individual is not available at the time of delivery, the hearing notice may be left at the business in a sealed envelope and the person accepting the notice must sign the delivery receipt. When possible, the notice should be left with a manager or person in charge of the business during the owner's absence. If the notice is not left with the owner or authorized individual, a copy of the notice must be mailed.

Recording Hearing Information

When a Padlock or Revocation Hearing notice has been generated, the Senior Field Agent must enter the date, time, and location of the hearing in Legal Actions in CACSG.

Documentation

When a hearing notice is generated and mailed or delivered, documentation should be entered in CACSG History under Field Visit. The exact circumstances of notice delivery must be documented in CACSG including name and position of person receiving notice, the date and time of delivery and whether a notice was also mailed.

Information to the Hearing Officer

Upon request, the Hearing Officer shall be provided with the Padlock Referral Form. For Revocation Hearings, the Sales Tax Bond amount is calculated and included with this information. The amount of the Bond is calculated by adding the last six months sales tax liability plus 25%, rounded up to the nearest hundred. The Senior Field Agent shall provide the Hearing Officer with a Hearing Record, Exhibit 6c, for each account scheduled for a Padlock Hearing.

Conducting a Hearing – Padlock and Revocation

The purpose of a Padlock or Revocation Hearing is to determine if the business should be padlocked and/or the Sales Tax Certificate of Registration revoked due to failure to comply with Virginia Tax Laws. The hearing is conducted by a Hearing Officer and attended by the Senior Field Agent at a Virginia Tax hearing sight. The taxpayer may be accompanied or represented by anyone of their choice. The taxpayer must sign a Power of Attorney or Permission to Attend Hearing Form, Exhibit 6d, for any person attending the hearing. If the taxpayer appoints someone to attend the hearing on their behalf, the representative must have a power of attorney.

Role of the Hearing Officer

The Hearing Officer makes a determination regarding Revocation of a Certificate of Registration or Padlocking based on information provided by the taxpayer and the Senior Field Agent. Prior to the hearing, the Hearing Officer reviews the account history and documentation in CACSG.

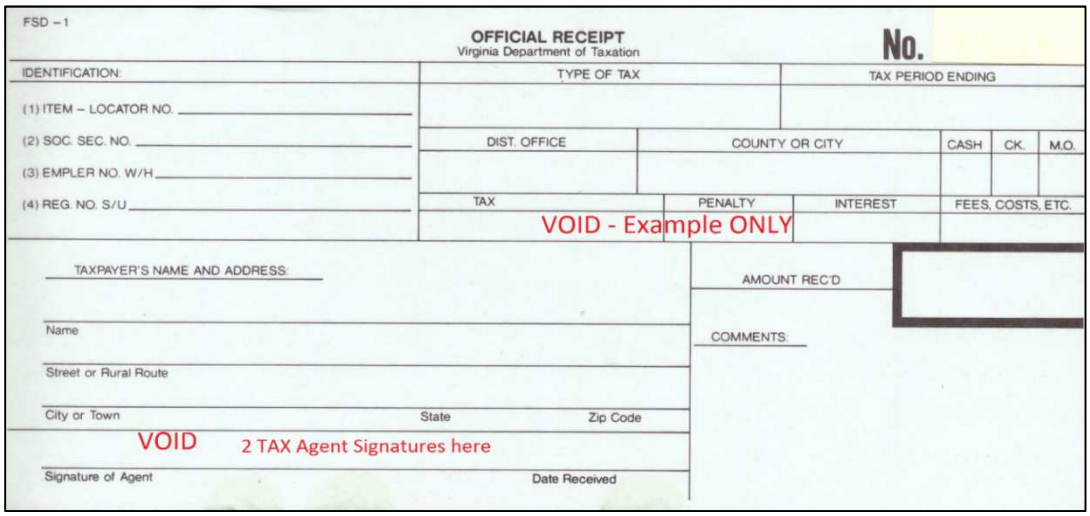
During the Hearing

The hearing begins with the Hearing Officer introducing themselves, the Supervisor and/or the Senior Field Agent attending the hearing. The Hearing Officer determines if the person representing the business is authorized to discuss confidential tax information and represent the business. If necessary, a Power of Attorney or Permission Form will be provided for the taxpayer to complete and sign. If the business is a corporation or partnership, a list of the officers and/or partners is requested and compared with Virginia Tax records.

The Hearing Officer outlines the reasons for padlocking or revocation action and quotes any applicable code sections. The Hearing Officer will refer to the Hearing Notice for a list of the unpaid assessments and/or returns that have not been filed. For Revocation Hearings the Bond amount is provided and the bonding requirement is explained. The Hearing Officer will advise the taxpayer of findings of any additional business or income tax liabilities and include any such balances in discussions regarding payment and compliance.

Any returns and/or payments that the taxpayer has brought to the hearing will be requested. Receipts are written for all non-iPad payments received from a taxpayer. This must be done in the presence of two Field Agents or a Field Agent and Supervisor. Copies of receipts are distributed as follows (Chapter 15, Payments):

- Original (white) copy goes to taxpayer
- Second (green) copy is attached to the Field Agent's Daily Transmittal
- Third (yellow) copy remains in the receipt book


FSD – 1

OFFICIAL RECEIPT
Virginia Department of Taxation

No.

IDENTIFICATION:
(1) ITEM – LOCATOR NO.
(2) SOC. SEC. NO.
(3) EMPLER NO. W/H
(4) REG. NO. S/U

TYPE OF TAX | TAX PERIOD ENDING

DIST. OFFICE | COUNTY OR CITY | CASH | CK. | M.O.

TAX | PENALTY | INTEREST | FEES, COSTS, ETC.

VOID - Example ONLY

TAXPAYER'S NAME AND ADDRESS:
Name
Street or Rural Route
City or Town | State | Zip Code

AMOUNT REC'D
COMMENTS:

VOID 2 TAX Agent Signatures here

Signature of Agent | Date Received

If returns are provided the Senior Field Agent reviews the returns and determines the amount of tax due. When returns are created in AR or a business nonfiler assessment is made, an updated balance will be provided to the taxpayer. The Senior Field Agent will send to be back scanned any returns or additional information which is received at the Padlock Hearing (Chapter 16, Calendars and Miscellaneous Policies, for backscanning procedures).

The taxpayer is given an opportunity to provide information and/or explanations that show why the proposed action should not be taken. The taxpayer is asked to explain why the taxes have not been filed and/or paid timely and how they propose to resolve the matter. The taxpayer will be asked how he

plans to guarantee compliance in the future. The Senior Field Agent is given an opportunity to provide information regarding the collections efforts, account history, etc. and to ask questions. The Hearing Officer will discuss resolution of the account with the taxpayer and may accept or reject any payment proposal. The Hearing Officer may require certain information or returns to be provided by a specified date.

If a payment agreement is reached, the Hearing Officer will review the agreement and explain that all current returns must be filed and/or paid timely. The Hearing Officer will explain the consequences of failure to comply with the Hearing Agreement (Revocation, Padlocking, Criminal Warrants, etc.). If the payment proposal is rejected, the Hearing Officer will provide a date by which full payment must be made to prevent the proposed action.

Conclusion of Hearing

The Hearing Officer generates a letter in CACSG to the taxpayer outlining the hearing results. The letter may be a Hearing Agreement letter that outlines the terms of the agreement for resolving the account, a Failure to Show letter, etc. Documentation of the hearing results will be entered in CACSG and the account should be routed to the appropriate work state such as Monitor Padlock (DX72), Monitor Revocation (DX82), Padlock Results (DX73) or Revocation Results (DX83). If the taxpayer fails to comply with terms established during the hearing the Senior Field Agent will take the appropriate action.

Conducting a Show Cause Hearing

The purpose of a show cause hearing is to determine the officer, partner, member, employee, etc., responsible for unpaid taxes of a corporation or partnership. The CACSG Notice of Personal Responsibility Hearing, COL008A, is generated through general correspondence. A Show Cause Hearing may also be conducted after an individual has been personally assessed for the unpaid taxes of a corporation and/or partnership. This occurs when officers and/or partners fail to respond to a Notice of Personal Responsibility, but contest the determination after receiving an assessment notice (Chapter 9, Additional Collection Procedures, and Assessing Unpaid Taxes to Responsible Officers).

The hearing is conducted by a Hearing Officer and attended by the Senior Field Agent at a Virginia Tax hearing sight. The taxpayer may be accompanied or represented by anyone of their choice. If the taxpayer appoints someone to attend the hearing on their behalf, the representative must have a power of attorney.

Role of the Hearing Officer

The Hearing Officer makes a determination regarding the responsibility of the officer, partner, or employee for unpaid taxes of the business. Prior to the hearing, the Hearing Officer reviews the account history and documentation in CACSG. The Hearing Officer conducts the hearing and evaluates all evidence presented by the taxpayer and the Senior Field Agent.

During the Hearing

The hearing begins with the Hearing Officer introducing themselves, the Senior Field Agent attending the hearing, and provides an explanation of the process. The Hearing Officer determines if the person representing the business is authorized to discuss confidential tax information and represent the business. A power of attorney form may be requested before the hearing can continue. If an attorney, CPA, etc., is accompanying the taxpayer, a power of attorney will be requested for future discussions

when the taxpayer may not be present. The taxpayer will be provided with information of the reason why Virginia Tax believes they may be responsible for unpaid bills of the business.

The taxpayer is given an opportunity to provide an explanation and/or evidence about their role in the business. The Senior Field Agent can ask questions and/or provide evidence regarding the account.

The Hearing Officer will discuss the issues with all parties in an effort to make a determination of responsibility. If a determination is made during the hearing, the Hearing Officer will explain the determination and the taxpayer's rights of appeal. In some situations, additional information may be requested before a determination is be made and a date will be established for providing the information.

Conclusion of Hearing

The Senior Field Agent will monitor the account for compliance with the Hearing Officer's determination. The Hearing Officer or Senior Field Agent will generate a free format letter from CACSG (COL001) notifying the taxpayer of the Hearing Officer's determination. Documentation of the hearing results will be entered in CACSG.

Conducting Hearings via FaceTime

Occasionally Hearings will need to be conducted via FaceTime. When this occurs use the following instructions.

- The Hearing Officer sends an invitation through Google meets to both the Senior Field Agent and Field Agent assigned to the account. Two Field Agents must always be present at the hearing location.
- The Hearing Officer and the Field Agents join the meeting using the laptop webcam.
- The Hearing Officer and the Field Agents identify themselves to the taxpayer with their state issued identifications.
- The Padlock/Revocation Hearing is conducted by the Hearing Officer and an agreement or rejection letter (hearing letter) is produced.
- Any payments, return information, or documentation is provided to the Senior Field Agent.
- The Senior Field Agent prints a Receipt for Hand Delivered Mail and a copy of the hearing letter and provides both to the taxpayer. The signed Receipt for Hand Delivered Mail is kept by the Senior Field Agent.
- The Hearing Officer will read the hearing letter to the taxpayer and conclude the hearing.
- The Hearing Officer mails a signed copy of the hearing letter to the taxpayer within one business day.
- The Hearing Officer provides a copy of the hearing notes to the Senior Field Agent within one business day.

Post Hearing Monitoring – Padlock and Revocation

Hearing accounts must be monitored for compliance with respect to the Hearing Officer's determination to resolve the delinquent balance and maintain compliance with current filing requirements. While the account is being monitored all inquiries should be directed to the assigned Senior Field Agent.

Failure to Appear

If after adequate notice of a hearing was given and proof of delivery is established, or certified mail is returned unclaimed and there was no contact from the taxpayer regarding the hearing notice, the No Show letter is mailed or delivered to the taxpayer advising of the action to be taken if not paid in full in ten days. If no response to the letter is received by the deadline date, the business is padlocked or the Sales Tax Certificate of Registration revoked.

Monitoring a Hearing Agreement

The Senior Field Agent will monitor the account for compliance with the terms established during the hearing. All current returns must be filed and paid timely. The Senior Field Agent is responsible for contacting the taxpayer if returns are not filed or payments not timely made. If the taxpayer does not comply with the terms set forth during the hearing, a Notice of Failure to comply with the Hearing Agreement must be issued. If the taxpayer does not bring the account into compliance as instructed by the Notice, the Senior Field Agent will refer the account to their Supervisor for Padlocking or Revocation. The Supervisor will review the account and determine what action will be taken.

Revoking a Certificate of Registration

Per Code of Virginia §58.1-613.D, a Sales Tax Certificate of Registration may be revoked when any person or business fails to comply with Virginia Sales Tax Laws. If the account is not resolved during a Revocation Hearing or the taxpayer fails to comply with the terms of an agreement made during a hearing, the Senior Field Agent should request Supervisor approval to proceed with revocation.

Upon approval a date and time for revocation of the Certificate should be established. The Revocation letter is generated from CACSG and is delivered to the business during business operating hours by the Supervisor and Senior Field Agent. When a Revocation date has been scheduled, Senior Field Agent must contact local law enforcement and arrange for them to accompany Virginia Tax agents at the location the Sales Tax Certificate is being revoked.

It is preferred that the notice be delivered to the sole proprietor, partner, or corporate officer. If this person cannot be reached, the notice may be delivered and explained to the manager or person in charge of operating the business. If available, the Sales Tax Certificate of Registration is removed from the business. A signed receipt for delivery of the notice is obtained. The appropriate party is advised that no taxable sales can be made at the business; therefore, the business is being closed. If the business is not being padlocked, inventory is not taken and the owner is not prohibited from entering the business.

Monitoring a Business after Revocation of a Certificate of Registration

When the Sales Tax Certificate of Registration of a business has been revoked, the Senior Field Agent must monitor the business for compliance with the revocation notice. The business should be checked at various times during normal operating hours for sales activity. If activity is observed, documentation should be made of the date, time, and a detailed description of the type of activity observed. The Senior Field Agent must report the incident to their Supervisor immediately. The Supervisor will determine the action to be taken. (Code of Virginia §58.1-613.E)

When a report of sales activity is received, it must be determined if the business is operating on a Revoked Certificate of Registration, or if a new business entity has been established at the same location. If the dealer provides a new Certificate of Registration, investigation should be made to determine if the new business has any connection or relationship with the revoked business. If requested documentation or information is not provided, Virginia Tax may issue a subpoena or summons for records needed to make a determination of relationship (Codes of Virginia §58.1-103, §58.1-216, §58.1-217, and §58.1-219).

If it is determined that the revoked business has been sold to a new owner, successor liability provisions should be examined. (Code of Virginia §58.1-629). If the business is operating on a Revoked Certificate of Registration, Criminal Warrants may be issued (Chapter 7, Criminal Warrants).

Remedies for Reinstatement of a Certificate of Registration

When all returns are filed and the balance of all tax, penalty and interest is paid in full, and a Sales Tax Bond is posted, the Sales Tax Certificate of Registration can be reinstated.

Padlocking

Virginia Tax has the authority to Padlock a business and place Notices of Distraint on each padlocked door of any business that is delinquent in filing and/or paying any tax owed to the Commonwealth (Code of Virginia §58.1-1805.C,). If the account is not resolved during a Padlock Hearing or the taxpayer fails to comply with the terms of an agreement made during a hearing, the Senior Field Agent should request Supervisor approval to proceed with padlocking. Upon approval, a date and time for padlocking should be established.

Businesses are usually padlocked on Monday, Tuesday or Wednesday except for cases approved by the Compliance Manager.

Preparations Prior to Padlocking

Prior to scheduling the padlocking date certain steps should be completed as follows:

- Review the account and make sure a MOL has been issued and recorded for all delinquent assessments.
- Determine the type of business being conducted
  NOTE: It is Virginia Tax's policy not to Padlock certain types of businesses such as nursing homes, hospitals and pet stores.
- Determine if real property, equipment and/or fixtures are owned or leased by the taxpayer and obtain names, addresses, and phone numbers of the owners of the property being rented or leased.
- Research deeds and/or titles for assets owned by the business and make note of any liens and/or deeds of trust recorded against the assets.
- Visit the premises and document the number of buildings, the number of doors, and type of lock for each door to the property.
- In accordance with procurement procedures, contact a locksmith to coordinate scheduling of a padlocking date.
- When a padlocking date has been scheduled, contact local law enforcement and arrange for them to be at the location being padlocked.

Padlocking a Business

The Padlock Order and Notice of Distraint is issued from CACSG. The padlocking date and time is coordinated with a locksmith and the local Sheriff. The Senior Field Agent and Supervisor should deliver the notice to the business during normal business hours. It is preferred that the notice be delivered to the sole proprietor, partner, or corporate officer. If this person cannot be reached, the notice may be delivered and explained to the manager or person in charge of operating the business. A signed receipt for delivery of the notice is obtained.

Customers/employees are allowed to gather their personal belongings and leave the business. All entrances to the business must be secured in order to ensure that no one may enter the business to remove inventory, merchandise, or other property. The locksmith is instructed to change all locks and/or chain lock all entrances to the business. The locksmith will give all keys to the locks to the Senior Field Agent or Supervisor. The keys are kept in a secure place in the home office. If there is a cash register at the business, the cash in the register should be seized, the taxpayer must be given a receipt and the money applied to the delinquent balance.

The Senior Field Agent and Supervisor must use their iPads to take pictures and video to record the condition of the padlocked premises and include images of inventory, equipment, furniture, etc. In addition, the Senior Field Agent should complete and maintain the Padlock List, Exhibit 6e, which includes a written inventory of the assets, equipment, furniture and stock on the premises along with other pertinent information regarding the padlocked business.

Information regarding any routine maintenance required for the property must be requested from the owner, officer, or manager. Dates and times for any routine maintenance required for the property should be scheduled. A Notice of Distraint will be posted on all entrances to the property.
Prior to leaving the premises, the Senior Field Agent or Supervisor must check to be sure all persons have left the property and any heaters, coolers, and/or freezers required to maintain the property and/or inventory are working and check for any potential fire hazards or safety concerns. All lights, except lighting for security purposes, should be turned off and all doors must be checked to be sure they are properly secured.

The padlocking must be documented in CACSG and the account should be routed to the Monitor Padlock work state (DX72).

After a Business Has Been Padlocked

If maintenance is required, the owner will be given access to the property to perform the maintenance. The Supervisor or Senior Field Agent must be on the premises when maintenance checks are made and notated in CACSG for each entry that is made to the property for maintenance.

The landlord or owner of any real or personal property being rented or leased by the taxpayer should be notified that the business has been padlocked. A third party owner of any leased or rented personal property of the padlocked business will be allowed to remove the property upon valid proof of ownership.

If the account is not paid in full (including payment of tax, penalty and interest for any returns that have not been filed) within three days of the date the business was padlocked, a Request for Writ of Fieri

Facias Levy can be generated from CACSG and delivered to the clerk of court in the business locality. The Writ of Fieri Facias Levy is a request for the Sheriff to levy and sell assets of the business.

When assets of the business have been sold, after deduction of any applicable fees due to the Sheriff, proceeds from the sale will be applied to unpaid taxes of the business.

Exhibit 6a – Hearing Schedule

Virginia Tax

Department of Taxation

HEARING SCHEDULE FOR

District:	Central
Hearing Officer:	
Hearing Date:	September 20, 2020

Drop down box to select District

Taxpayer Name	Account Number	Hearing	Time
			9:00 AM
			9:30 AM
			10:00 AM
			10:30 AM
			11:00 AM
			11:30 AM
			12:00 PM
			12:30 PM
			1:00 PM
			1:30 PM
			2:00 PM
			2:30 PM
			3:00 PM
			3:30 PM
			4:00 PM
			4:30 PM

Exhibit 6b – Padlock Referral

Virginia Tax

PADLOCK REFERRAL

LEGAL NAME		DBA
FEIN	ENTITY TYPE	BALANCE DUE

BUSINESS LOCATION:

	Free Standing Building		Inside Mall		Shopping Center/Strip Mall		Other

Hours	Type of Business

Field Visit Date (within 30 days of referral) and Result:

	Business Open		Business Closed		

Most Recent Memorandum of Lien	Converted
Recordation Date:	Converted Date:
Amount:	Amount:

	All Prior MOLs Recorded		All bills Converted

Responsible Officer	SSN	Date of Conversion	Status of Income Tax (nonfilers and/or debt)

Reason for Referring Account for Padlock:

	Third Party Liens Unsuccessful		Will not enter into formal PPA
	Filing Not Paying		Dishonored payment history
	Will not File		Bill(s) out of statute for conversion
	Numerous PPA Defaults; how many?		Prior Padlock Account
	Responsible Party has multiple delinquent accounts		Other

NONFILERS

Tax Type ST/WH/LT/PTE/CP	Tax Periods	Tax Type ST/WH/LT/PTE/CP	Tax Periods

Brief Summary Why Action is Requested

Assigned Agent Notes

Reviewer Notes

Field Agent	Date Referred
Senior Field Agent	Date Reviewed by Senior
Supervisor Review	Date Reviewed by Supervisor

Bond Amount(Computed at Padlock Hearing)

Exhibit 6c – Hearing Record

Hearing Record				
Hearing Date/Time:			Hearing Location:	
Hearing Type	☐ PDLK	☐ REVO	☐ Bond	☐ Show Cause
Taxpayer Name:				
Trading As:				
Account #:				
Tax Type:	☐ Sales	☐ Withholding	☐ Income	☐ Other/Misc
Mailing Address:			Physical Location:	

Persons in Attendance and Relationship to Business		
Social Security #	Name	Relationship

Hearing Notes:
Hearing Officer:
Information Reviewed with Taxpayer:

Exhibit 6d – Permission to Attend Hearing

Commonwealth of Virginia
Department of Taxation

Account Number: _____

I, _____,

am the Owner, Member, Corporate Officer, Other of _____.
(Circle as Applicable) (Name of Business)

I grant _____
(Full Name & Relationship to Taxpayer or Business)

permission to attend hearing at _____.
(Location)

on _____.
(Date)

I understand confidential tax information will be discussed.

_____ _____
Signature Date

Hearing_Representative_Authorization_200609

Exhibit 6e –Padlock List

PADLOCK LIST

Customers and employees are allowed to gather their personal belongings and leave the business.

Senior Field Agent:			Supervisor:
Date of Padlock:			Time:
Arrival Time:			Departure Time:
Law Enforcement Notified?	YES	NO	Comments:
Locksmith Notified?	YES	NO	Company Name:
Persons Receiving Keys:			
Business Name:			FEIN:
Business Address:			
Owner/Employees Present:			
Cash Removed from Register?	YES	NO	Amount:

Inventory **(include equipment and furniture)**	

Upcoming Routine Maintenance		
The owner will be given access to the property to perform the maintenance		
Item Description	Company	Next Scheduled Maintenance Date

Business Checks					
Date of Check	**Comments**	**Initials**	**Date of Check**	**Comments**	**Initials**

Additional Comments

Prior to leaving the premises check to be sure all persons have left the property and any heaters, coolers, and/or freezers required to maintain the property and/or inventory are working and check for any potential fire hazards or safety concerns. All lights, except lighting for security purposes, should be turned off and all doors must be checked to be sure they are properly secured.

Chapter 7

Criminal Warrants

Virginia Tax has the authority to issue Criminal Warrants for criminal offenses committed under *Code of Virginia* §58.1. Criminal Warrants may be issued when there is evidence of refusal or failure to collect or file required taxes, willful intent to evade the payment of taxes, and/or willful intent to defraud the Commonwealth of any tax due.

Criminal Warrant Types

Generally, Class 1 and Class 2 misdemeanor warrants are issued by Senior Field Agents. However, in some instances, under direction of a Commonwealth's Attorney, felony warrants may be issued. The following are examples of misdemeanor warrants:

- **Class 1:** Bad Checks (Code of Virginia §58.1-486, §58.1-637, §18.2-182.1)
- **Class 1:** Failure to collect or pay over sales tax (Code of Virginia, §58.1-625)
- **Class 1:** Failure or refusal by a Sole Proprietor to file a sales tax return or filing a fraudulent sales tax return. (Code of Virginia §58.1-636)
- **Class 1:** Failure to file, failure to withhold, and/or failure to pay over employer withholding tax by a Sole Proprietor. (Code of Virginia §58.1-485)
- **Class 1:** Willful failure to make a return, keep records or supply information by Corporate Officers. (Code of Virginia §58.1-1814)
- **Class 1:** Willful failure to collect, account for and pay over sales, use or withholding tax by Corporate Officers. (Code of Virginia §58.1-1815)
- **Class 1:** Failure to file individual income tax return (Code of Virginia §58.1-348)
- **Class 2:** Operating a business making taxable sales without obtaining a sales tax Certificate of Registration or operating a business on a revoked or suspended Certificate of Registration. (Code of Virginia §58.1-613.E.)

The following are examples of felony warrants:

- **Embezzlement of trust taxes:** Sales and Withholding Taxes (Code of Virginia §58.1-474, §58.1-625, §18.2-11)
- **Class 6:** Two or more acts or omissions within a period of 90 days of willfully failing to truthfully account for sales, use, or withholding tax totaling $1,000 or more collected from others with the intent not to pay over. (Code of Virginia §58.1-1816)
- **Class 6**: Intent to defraud by making false statement on an individual income tax return. (§58.1-348)

Criminal Warrants – Responsible Party

Civil and criminal actions against individuals are appropriate when there is evidence that the individual willfully violated the law (Code of Virginia §58.1-1814, §58.1-1815, and §58.1-1816). An implication of willful violation related to responsible party is when the business had funds to satisfy the tax debt, but an authorized officer, partner, member, employee, etc., made the choice to use the funds for the payment of other business debts, or diverted the funds for personal use. Willfulness is easier to establish for trust taxes (sales and withholding) in which payment involves the remittance of collected

monies. Willfulness can be described as an act (e.g., failure to pay) or an omission (e.g., failure to file) that the taxpayer did knowingly or voluntarily. For example, a responsible officer may direct company funds be used to pay for raw material or labor rather than be remitted for taxes. The officer consciously and intentionally preferred other creditors of the business over what State Tax Law requires.

Prior to Issuing a Criminal Warrant

When a criminal offense is suspected the Field Agent should refer the account to the Senior Field Agent or Supervisor for review. A thorough review of the account is conducted to determine if there is sufficient evidence that a criminal offense has been committed. This should be the last collection action we attempt. Only after everything else has failed, because it is the most punitive and time consuming. In addition this tool should be for very large balance cases that merit this level of effort.

The Senior Field Agent completes the Criminal Warrant Approval request, Exhibit 7a, and submits form to their Supervisor. This form is used by the Supervisor to assist in making a determination of approval. The Compliance Manager must approve all Criminal Warrants. It may be determined that additional information is needed and a Subpoena Duces Tecum may be issued from CACSG by Supervisor to obtain records from financial institutions, etc.

When approval is received for issuing Criminal Warrants, the Commonwealth's Attorney for the City or County of the business locality may be contacted for review of the case. The account should be routed to the Pending Criminal Warrant (DX91) state in CACSG.

A Criminal Warrant Warning must be sent by certified mail or personally delivered to the taxpayer no less than five days prior to issuing a criminal warrant. The Criminal Warrant Warning is issued from CACSG for Class 1 misdemeanor warrants. A Summons for Operating without a Sales Tax Certificate is issued from CACSG when a business is found to be in violation of Code of Virginia §58.1-613.E. For other types of warrants, a Free Format Letter may be issued from CACSG. Any such notice should contain:

- Information warning the taxpayer that Criminal Warrants will be filed
- A list of the returns not filed and/or delinquent assessments
- The deadline for providing returns and payment
- Return mailing address for requested information and/or payment
- Senior Field Agent's phone number
- Signature line for the Field Agent sending the notice

Documentation must be entered in CACSG detailing information contained in a Free Format Letter sent to a taxpayer warning of Criminal Warrants.

Issuing a Criminal Warrant

The process of issuing Criminal Warrants may vary among localities; therefore, Senior Field Agents should contact local court officials for information regarding procedures for issuing Criminal Warrants. When issuing Criminal Warrants under direction of a Commonwealth's Attorney, the Senior Field Agent will follow the instructions of the Commonwealth's Attorney. The Commonwealth Attorney in some jurisdictions will not issue Criminal Warrants unless there is a risk of flight by the taxpayer or the account has a large liability.

Issuing a Criminal Complaint

The first step of the criminal process is issuing the Criminal Complaint from CACSG. Editable fields of the Criminal Complaint will allow the Senior Field Agent or Supervisor to enter information such as the locality of the offense, date of the offense, description of the offense (code references should be included), name, address, social security number of the accused, and any additional information that will assist in locating the accused.

This process will vary as Commonwealth's Attorneys may request a separate Criminal Complaint for each period of an offense or may request a Criminal Complaint for a span period. Commonwealth's Attorneys usually prefer to review the completed Criminal Complaint before the warrant is issued. Some Commonwealth's Attorneys prefer to complete the Criminal Complaint based on information from a case summary provided by the Senior Field Agent.

Grand Jury

The grand jury is a special type of jury assembled to investigate whether criminal charges should be brought. Some Commonwealth's Attorneys prefer to present evidence before a grand jury prior to issuing felony warrants while others prefer a preliminary hearing. Senior Field Agents may be required to give testimony before the grand jury in connection with the criminal complaint. In preparing for testimony, the Senior Field Agent should thoroughly review the account and prepare a summary of the account as a guideline for testimony. Information in the summary should include a clear description of the offense, dates, and tax types, delinquent returns, amount of tax, penalty and interest, Exhibit 7b. A brief account history that outlines contacts with the taxpayer and efforts to resolve the matter may also be included. The Senior Field Agent must be prepared to answer questions from jurors about the account.

Preliminary Hearing

A preliminary hearing is held by a Judge to ascertain whether there is evidence to warrant the binding over of the accused on the felony charge to the circuit court for further proceedings. Senior Field Agents may be required to give testimony at the preliminary hearing. As with preparing for grand jury testimony, the Senior Field Agent should review the account, complete a summary of the account as a guideline for testimony, be prepared to present evidence, and answer questions about the account.

Warrant of Arrest

A Criminal Warrant is issued by presenting the Criminal Complaint to the Magistrate of the locality where the offense occurred, completing a Warrant of Arrest form (DC-314 or DC-312) and the swearing to the accuracy of facts and/or statements made on the Warrant of Arrest. The Senior Field Agent, Commonwealth's Attorney or Magistrate may complete the Warrant of Arrest form. The Warrant of Arrest is based on the offenses listed on the Criminal Complaint. The account should be routed to the Prepare and File Criminal Warrant (DX91) state in CACSG and detailed documentation should be entered such as the type of warrant issued, date issued, charges filed, etc.

Subpoenas, Affidavits and Agreements

Additional forms may be required in association with the issuance of Criminal Warrants. The Senior Field Agent can issue the Request for Subpoena of Witness and the Plea Agreement forms in CACSG. However, the Commonwealth's Attorney may prefer that these forms be issued by their office. The following are additional forms that can be generated from CACSG:

- Affidavit to Confirm Nonfiler (COL071)
- Affidavit to Confirm Unpaid Tax (COL072)

Preparing for Trial

After the Criminal Warrant has been issued, a court date will be set and the Commonwealth's Attorney will issue Witness Subpoenas to all parties that are to appear in connection with the case. Any requests for records, affidavits, or certified copies from Central Office should be sent via email to the Compliance Support Supervisor. Requests sent to Central Office must state that the information is needed for court and the request should be expedited. The Supervisor may request a Subpoenas Duces Tecum for financial institution records, purchase invoices, or other information deemed material to the case. Procedures for confidential tax information must be followed when handling records received in connection with the case.

Contact with the taxpayer and/or the taxpayer's attorney should be under the guidance of a Supervisor or the Commonwealth's Attorney. Requests for dropping charges or Plea Agreements must be referred to a Supervisor or the Commonwealth's Attorney. If the taxpayer contacts the Senior Field Agent for legal advice regarding the Criminal Warrants, the Senior Field Agent must advise the taxpayer to seek legal advice from an attorney.

The Senior Field Agent must thoroughly review the account and have all records and evidence organized and ready to be presented in court. Contact with the Commonwealth's Attorney should be maintained and continuances and changes should be noted in CACSG. The account should be reviewed with the Commonwealth's Attorney prior to the court date.

Presenting a Case in Court

Cases may be heard in the General District or circuit court. A Judge hears misdemeanor cases in general district court (bench trial) but the taxpayer may elect to be tried either by a Judge or by jury in circuit court. Circuit court appearances are felony cases or appeals from the general district court. In some cases a Plea Agreement is made prior to the case being heard. When this happens the plea must be presented before the court.

Senior Field Agents must conduct themselves in a professional manner for all court appearances. They must arrive at scheduled times, observe the court dress code, and be well organized and prepared to give testimony and answer questions. When giving testimony in court the Senior Field Agent should present information based on the facts and to the best of their knowledge.

Monitoring a Court Case

Immediately after the court hearing the Senior Field Agent must document in CASCG the ruling made by the Judge or Jury and route the case to the Monitor Criminal Warrant (DX92) work state. A copy of the Judge's Order should be requested and kept on file and sent to Central Office for back scanning.

The Senior Field Agent will be responsible for monitoring the account for compliance with the court Order. If the taxpayer fails to comply with the court Order, the Senior Field Agent should contact the Commonwealth's Attorney. The Commonwealth's Attorney may bring the matter before the court or instruct the Senior Field Agent to issue a Motion for Show Cause Summons through CACSG to bring the taxpayer before the court due to failure to obey a court Order, make court ordered restitution, etc.

Exhibit 7a - Criminal Warrant Approval

Department of Taxation
xxxxxx DISTRICT

CRIMINAL WARRANT APPROVAL

NAME:	John Doe		
ADDRESS:	1234 ABC Highway Richmond VA 23218	**PHYSICAL LOCATION:**	1234 ABC Highway Richmond VA 23218
LEGAL BUSINESS NAME:	John Doe, LLC	**TRADING AS:**	Doe's Food Store
BUSINESS ENTITY TYPE:	Partnership	**OFFICERS/PARTNERS:**	John Doe, Partner Mary Doe, Partner
SENIOR FIELD AGENT:	Mary Smith		

COMPLAINT:

(1) John Doe, partner and operator of a convenience store trading as Doe's Food Store, failed to pay over to the Virginia Department of Taxation sales tax that was collected from his customers for taxable sales made at the business for the periods of April through December 2001; April, June, July, September and October 2002 in violation of Code of Virginia §58.1-625.

(2) John Doe, partner and operator of a convenience store trading as Doe's Food Store, failed to pay over to the Virginia Department of Taxation withholding taxes (Virginia income taxes withheld from the wages of employees of the business) for the periods of April through December 2002 in violation of Code of Virginia §58.1-485.

ACCOUNT SUMMARY: List important dates, actions and results		
Description of Business:		
Field Visit Date (within 30 days of referral) and Result:		
CWAR Warning Letter	Date Mailed Certified:	Date Hand Delivered:

Most Recent Memorandum of Lien		**Converted**	
Recordation Date:		Converted Date:	
Amount:		Amount:	
	All Prior MOLs Recorded		**All Bills Converted**
Reason for Referring Account for CWAR:			
	Third Party Liens Unsuccessful		Will not enter into formal PPA
	Filing Not Paying		Dishonored payment history
	Will not File		Bill(s) out of statute for conversion
	Numerous PPA Defaults; how many?		Prior Padlock Account
	Responsible Party has multiple delinquent accounts		Other
Comments:			
Senior Field Agent		Date	

Recommendation	**Approved**		**Denied**		
Collections Supervisor				Date	

Exhibit 7b – Account Summary for Grand Jury

ACCOUNT SUMMARY FOR GRAND JURY

CHARGES:

John and Mary Doe, partners and owners and operators in charge of day to day operations of Doe's Food Store located at 0001 Lee Highway, Marion, VA collected Virginia sales tax on sales made at the business and failed to pay the taxes over to Virginia Department of Taxation as required by *Code of Virginia* §58.1-625.

John and Mary Doe, partners and owners and operators of Doe's Food Store, withheld Virginia income taxes from the wages of employees of the business as required by *Code o*f *Virginia* § 58.1-461, but did not pay the amount of tax withheld over to Virginia Department of Taxation.

Sales tax is a tax that the customer pays on each taxable item purchased. Dealers (owners/operators of businesses) are required by Virginia law to collect the sales tax from customers each time a taxable item is sold and pay the tax over to Virginia Department of Taxation by a specified date. The dealer is deemed to be holding the sales tax in trust for the Commonwealth of Virginia until a specified date. Sales tax is not an expense to the dealer – the tax is paid by the customer.

The term for income tax withheld from the wages of employees is **withholding tax**. Virginia employers are required to withhold Virginia income tax from employee's wages and pay the tax over to Virginia Department of Taxation by a specified date. Withholding tax is deemed to be held in trust for the Commonwealth by the employer until the due date for paying it over to Virginia Department of Taxation. (*Code of Virginia* §58.1-474.) Withholding tax is not an expense to the employer, the tax is paid by the employee.

ACCOUNT SUMMARY:

Dates, Actions, and Results

EVIDENCE:

List of evidence of the offense(s) in possession of Virginia Department of Taxation.

Chapter 8

Bonds

When deemed necessary, Virginia Tax may require any person, dealer, corporation, etc., subject to collection of sales, use and/or vending machine tax to file a bond to secure the collection of the tax (*Code of Virginia §58.1-630*). A bond can be a cashier's check, a bond issued through a licensed bonding company (surety), or securities approved by the Tax Commissioner. The amount of the bond is calculated by adding the last six months sales tax liability plus 25%, rounded up to nearest hundred. The bond or securities will be held in a non-interest bearing account.

Bond Reasons

A bond may be required when a taxpayer has a history of failing to file and/or pay sales, use, and/or vending machine taxes timely. The following describes situations where a bond may be required:

- **Revocation Hearing**: A taxpayer may be relieved from appearing at a Revocation Hearing if they file all returns, pay all tax, penalty, interest, and file a surety bond. The Hearing Officer may require the taxpayer to file a bond as a condition of the Hearing Agreement.
- **Revoked or Suspended Sales Tax Certificate of Registration:** A bond may be required as a condition for reinstating a Sales Tax Certificate of Registration when the certificate has been revoked or suspended.
- **Bad Checks:** A bond may be required when a taxpayer issues two or more bad checks for payment of taxes within a twelve-month period (CACGS correspondence COL023, Request for Sales Tax Bond of Surety).
- **History of Failing to file and/or Pay Taxes:** A bond may be required as a condition of issuing or reinstating a Sales Tax Certificate of Registration at any time that it is deemed that the taxpayer has a history of failing to file and/or pay the taxes in a timely manner.

Capture or Return of a Bond

Virginia Tax may capture and apply the bond to unpaid sales taxes whenever deemed necessary. If the Sales Tax Certificate of Registration is revoked, the business is padlocked, the business closes, or the business is sold, the bond will be applied to the balance due. Any remaining balance of the bond will be returned to the taxpayer. Upon request, the bond may be returned if the following conditions are met:

- A taxpayer has shown compliance by filing and/or paying taxes timely for a period of twelve consecutive months.
- The business has been sold or closes and all returns have been filed and there is no balance due.

Processing a Bond

When a Field Agent receives a bond, it must be forwarded to the Compliance Support Unit Supervisor along with a Bond Memo, Exhibit 8a. If the taxpayer is mailing in the Bond, the supervisor will notify the Compliance Support Unit Supervisor to be on the lookout for it. Bonds will be mailed to- Department of Taxation, P. O. Box 5771, Richmond, VA 23218. Non-cash bonds need to be reviewed by a Supervisor. The Compliance Support Supervisor should be consulted if there are questions about the bond. When the Senior Field Agent and Supervisor determine that a bond needs to be seized or released, an email should be sent to the Compliance Support Supervisor with the pertinent account information.

Exhibit 8a - Bond Memorandum

Department of Taxation

M E M O R A N D U M

TO: Supervisor Compliance Support Unit

FROM: Senior Field Agent Name

DATE:

SUBJECT: **Cash Bond**
Account Number:
Account Name:
Address:
Telephone Number:

Please post the attached cash bond/surety in the amount of $xx, xxx.xx to the account listed above.

If you have any questions please let me know.

Thanks.

Chapter 9

Additional Collection Procedures

Efforts to resolve unpaid taxes do not stop when a business is sold, closes, or is closed by Virginia Tax through the padlock or revocation processes. Field Agents continue the collections process by using the appropriate efforts to resolve unpaid taxes until the account is paid, or it is determined the account is not collectible. In addition to normal collection procedures, processes such as successor liability and assessing unpaid taxes to responsible officers, partners, or members may be used.

Successor Liability

Efforts to resolve unpaid taxes do not stop when a business is sold, closes, or is closed by Virginia Tax through the padlocking or revocation processes. Field agents continue the collections process by using the appropriate procedures and actions until the account is paid, or it is determined the account is not collectible. In addition to normal collection procedures, successor liability may be used.

When a business has been sold and ***sales*** tax, penalty and interest remain unpaid, Virginia Tax should evaluate the account for successor liability. If any dealer liable for tax, penalty, or interest sells his/her business or stock of goods (assets), or quits the business, he must file a final return and make payment within fifteen days after the date of selling the business (Code of Virginia §58.1-629 and 23VAC10-210-3090). At that time, he/she should also return the Sales Tax Certificate of Registration to Virginia Tax and report on the final return the full name and address of any successor.

The successor or purchaser must withhold sufficient of the purchase money to cover any sales tax, penalty, and interest due and unpaid until the former owner produces a receipt from the Tax Commissioner showing all tax has been paid or a certificate stating that no tax, penalty, or interest is due. If the purchaser of a business fails to withhold the purchase money, he/she shall be liable for the payment of unpaid sales tax, penalty, and interest, administered under Chapter 6 of the *Code of Virginia §58.1*, on account of the operation of the business by the former owner.

Any person, firm, or corporation who succeeds a dealer in the operation of a business must submit a Registration Application to Virginia Tax. When applying for a Sales Tax Certificate of Registration, the successor dealer should inform Virginia Tax of the acquisition of the business previously operated and furnish the name and certificate number of the previous dealer. The successor may request a receipt or certificate from Virginia Tax showing the amount of tax, or no tax, due by the previous dealer. Such a receipt will be sufficient evidence to authorize the successor to release to the previous dealer any funds withheld from the purchase price.

When it is determined that successor liability is applicable, a Sales Tax Certificate of Registration should not be issued to a successor who has been notified by Virginia Tax of any unpaid taxes, penalties or interest due and unpaid by previous dealer until such amount is paid in full. However, due to the various avenues of registration available to taxpayers, including Internet registration, Sales Tax Certificates of Registration are usually issued without evaluation of successor liability. Therefore, the

field agent must follow-up with checking for successor liability when a business in his/her assigned inventory has been sold, Exhibit 9a.

Discovering the Sale of a Business

There are several situations where the Field Agent may find out that a business is going to be, or has been sold.

1.) The Field Agent is working a case where the business is failing. The taxpayer may mention he/she is trying to sell the business.
2.) The Field Agent begins working a case where all tax accounts are closed, but the case has a sales tax balance and/or sales tax nonfilers. Upon contacting the taxpayer(s) or any other related party (landlord, management company, neighboring business, etc.) the information that the business, or assets of the business, have been sold is offered. If the information is not offered, the Field Agent should make a point of asking if the business has been sold.
3.) The taxpayer makes a call and/or field visit to a business regarding a sales tax balance and/or nonfilers and discovers a new owner.
4.) ***When in doubt of a successor liability, always consult your Team Leader or Supervisor***.

Steps for Enforcing Successor Liability

Once the Field Agent learns of the sale of a business or its assets, and a Memorandum of Lien has been recorded, the Field Agent may informally advise the new owner of the seller's sales tax liability, and familiarize the new owner with Virginia Tax Code 58.1-629. The seller's "newly disclosed" sales tax liability is, most times, a surprise to the buyer. In cases where a balance or nonfilers exist, it's common for the seller of a business not to disclose this information at the time of sale, or on the purchase agreement. Many times the purchase agreement is prepared by a third party accountant or attorney, and the agreement states that the buyer shall not "take on" or "inherit" any liability from the seller. The buyer believes he/she has purchased the business "liability free". The buyer must be made aware that any contract prepared by a third party accountant or attorney cannot supersede Virginia Tax Code 58.1-629.

Knowledge of the nature of the purchase, as well as the amount of the purchase price, is necessary in determining successor liability. The Field Agent should create a CACSG Free Format Letter on the seller's case, describing the situation the Field Agent has discovered, and requesting more information regarding the sale. Successor liability is limited to the actual purchase amount that traded hands, not necessarily the purchase price. The Field Agent should request a copy of the purchase agreement. It is best to request a copy from both the seller and the buyer, to insure consistent information is provided. Both the seller and the buyer should be advised of the necessary conditions for successor liability, and that it's in their best interest to provide a copy of the purchase agreement. The Successor Liability Letter should be hand delivered, or sent certified mail. Certified mail gives us a good audit trail if the case should end up in court.

Once it is determined successor liability exists, and if the both the seller and buyer do not pay the liability, bills, identical to those on the seller's account, may be created in AR on the sales tax account of the buyer. In order to do this, a Beginning Liability Date, which includes the sales tax periods for which the seller is liable, should be entered to replace the original BLD in the buyer's account. Tax assessments equal to the seller's liability for each period may be created through the Add Charges option in AR; the bill reason should be "other – Successor Liability". Once bills have been created on the buyer's sales tax account, appropriate collection and legal action may be taken. As payments are made, the Field Agent

must monitor both the seller's and the buyer's sales tax accounts for accuracy. The Field Agent should regularly adjust (abate down) either account to reflect these payments.

Examples for Review

Example 1 –

- Business A purchased Business B. Neither the seller nor the buyer paid the sales or motor fuel tax liability. Bills were created on the buyers account, and a third party lien was filed. The buyer paid ½ the tax and interest on the qualified liability, then submitted an OIC, requesting abatement of penalty.
- The OIC was accepted, and the buyer was relieved of any further liability. Simultaneously, all bills were converted to the responsible party of the seller. The responsible party has a PPA on the converted bills.

Example 2 –

- ABC Inc. purchased 123 Inc. The sale of the business was discovered upon a field visit to the location. The seller had nonfilers at the time of the sale, and could not be reached. Nonfiler assessments were created on the seller's sales tax account. These were then duplicated on the buyer's account.
- Based on the purchase agreement, the sales tax liability was greater than the purchase price; therefore, the buyer was held liable for an amount equal to the purchase price. The balance of the liability was converted to the responsible party of the seller.

Frequently Asked Questions

QUESTION: Restaurant B intends to buy the business from Restaurant A. Restaurant A is not truthful to Restaurant B about outstanding tax liabilities (nonfilers) that exist. Restaurant B does a records search and finds no Memorandum of Lien in file. The sale goes through. Assessments are later made on Restaurant A, a Memorandum of Lien is filed, and bills are assigned to Restaurant B. The attorney for Restaurant B states that because there was no Memorandum of Lien on file, there should be no successor liability. Does a successor liability exist?
ANSWER: Yes. Our position is that Restaurant B should have asked Restaurant A for a "letter of good standing" (a receipt from the Tax Commissioner showing that taxes, penalties, and interest have been paid or a certificate stating that no taxes, penalties and interest are due, Code of Virginia 58.1-629. The fact that there was no Memorandum of Lien on file does not matter when it comes to successor liability, a sort of buyer beware.

QUESTION: It is November 6, 2007. You learn that Cookie Store B purchased the assets of Cookie Store A in July 2003. Cookie Store A has nonfilers, spanning September 2001 – June 2003. Does Cookie Store B have a successor liability?
ANSWER: No. Virginia Tax Code 58.1-104, is a general provision, which states the statute of limitations is 3 years, in most cases. Since none of the periods of time in question fall within the past 3 years, successor liability should not be pursued.

QUESTION: Convenience Store B purchases the assets of Convenience Store A for $20,000. The sales tax liability of Convenience Store A is $35,000. Is Convenience Store B liable for $35,000 in sales tax?

ANSWER: No. Convenience Store B is only liable for the amount of money that actually changed hands. Virginia Code 58.1-629 provides that the successor shall only hold sufficient of the purchase money to cover the amount of unpaid taxes.

QUESTION: A Shoe Store goes out of business with a sales tax liability of $10,000. The Shoe Store vacates the premises. One month later, a Sporting Goods Store begins doing business at the same location. Is the Sporting Goods Store liable for the $10,000?
ANSWER: No. No purchase has taken place. Successor liability cannot exist unless a sale has transpired.

Offer in Compromise

An Offer in Compromise is a proposal to settle a tax bill for less than the full amount due. Virginia Tax can consider Offers in Compromise from individuals and businesses for the following reasons, Code of Virginia §58.1-105. See Exhibit 9b.

- Waiver of penalties over $2,000 if extenuating circumstances kept the taxpayer from filing or paying their taxes on time.
- The taxpayer may not be liable for the amount assessed (doubtful liability).
- The taxpayer is currently experiencing financial hardship, and can show that they are not able to pay the full amount owed (doubtful collectability).

How to Request an Offer in Compromise

For requests for relief based on doubtful liability or for waiver of penalty, the taxpayer will submit the required forms, and include all required documentation as detailed in the instructions:

- Individuals: Form OIC I-2
- Businesses: Form OIC B-2

For converted debt that files for doubtful liability, the Field Agent must verify that there is a reason for doubtful liability.

For requests for relief due to financial hardship (doubtful collectability), the taxpayer will submit a completed offer package, including all required forms and supporting documentation:

- Individuals: Form OIC I-3, FIN I-1, OIC-Fee
- Businesses: Form OIC B-3, FINB-1, OIC Fee

The taxpayer should submit an individual OIC packet for businesses that are closed or business debt that has been converted to them, see exhibit 9b – Offer in Compromise Chart, for more information.

The taxpayer may be required to include a $50 administrative fee. See the instructions for complete details. Required forms and all supporting documentation should be sent by the taxpayer to:

Tax Commissioner
Virginia Department of Taxation
PO Box 2475
Richmond, Virginia 23218-2475

Virginia Tax will consider the offer based on all available information. If the Tax Commissioner accepts the offer, Virginia Tax will remove any amounts waived from the bill. If the offer is not accepted, the

taxpayer must pay the balance of the bill in full. See the Taxpayer Bill of Rights for more information on www.tax.virginia.gov. Penalty waivers are done after the offer is accepted. Virginia Tax will not waive any portion of a doubtful collectability OIC until the offer has been paid in full.

Customer Satisfaction handles the stops and cases for all doubtful collectability offers, and for penalty waivers and doubtful liability OICs that are not for field audit bills. If a business asks for waiver of penalty or files for doubtful liability on a field audit bill, the case goes to Appeals and Rulings, and they will place the stops.

The OIC Representative may contact the Field Agent and ask for their input on an OIC case when the account was assigned to them. The Field Agent should provide as much information as possible to the OIC Representative to assist them with making their decision.

A final decision is made based on the taxpayer documents, information and account history provided. The decision is documented in CACSG and/or AR (Customer Satisfaction does not use CACSG). Upon request a copy of the response letter will be sent to the assigned agent.

Converted Assessment

When Virginia Tax determines an individual is responsible for the unpaid trust taxes of a business, the Field Agent or Supervisor must assess to the social security number of each responsible person penalty in the amount of unpaid taxes, penalties, and interest of the business. The assessment is created in AR and is referred to as a converted assessment. Documentation of the assessment should be entered in AR and CACSG. If an individual fails to respond to a Notice of Personal Responsibility, then responsibility for unpaid taxes of the business is presumed and assessments are made to the individual. In situations where an assessment is made to an individual who files joint income tax return, care must be taken to ensure that the assessment does not include the name and/or social security number of a non-responsible spouse.

Assessing Unpaid Taxes to Responsible Officers

If the delinquent taxpayer is a business, one or more officers, members, or employees who meet the definition of responsible party may be personally assessed a penalty for 100% of the amount of unpaid taxes, penalties, and interest, Code of Virginia §58.1-1813. The assessment must be made within the period of limitations for assessing the delinquent tax to responsible officers, partners, members, etc. Generally, the conversion of debt is three years from the return due date for a filed return and six years for an unfiled return. The statute of limitations for all assessments is outlined in Chapter 10, Statute of Limitations (Code of Virginia §58.1-104, §58.1-312, and §58.1-634). All tax account periods should be carefully screened to ensure the data integrity of an assessment.

Conversion of debt to the responsible party is a collection tool that may be used prior to a business closing. Conversion of debt may be included in the terms of an Administrative Hearing if it is shown that the taxpayer can personally pay the debt or the length of any payment agreement exceeds the statute to convert. Converted liability is also an effective method of seizing personal income tax refunds, particularly when the original taxes have not been paid to the Commonwealth. Debt of any closed business should be converted as a matter of procedure. Prior to personally assessing responsible parties for unpaid taxes of a business, the Field Agent must make sure that a MOL has been issued for all unpaid bills of the business and that prerequisite criteria has been met per Code of Virginia, §58.1-1813, §58.1-1814 and §58.1-1815,

Identifying Individuals Presumed to be Responsible

The first step in the process of assessing unpaid taxes of a business to an individuals is identifying officers, partners, members, employees, etc. that may meet the definition of responsible party.

The process begins by checking the customer profile and relationship in AR and related information for name and social security number for the parties that were listed on the Combined Registration Application. Other methods of identification include reviewing account history in CACSG, copies of returns, remittances, and correspondence that can be accessed through Image Retrieval/Image Viewer, for signatures and corporate officer information. The Field Agent can also access the State Corporation Commission (SCC) website or contact SCC for corporate officer information.

Notice of Personal Responsibility

When presumed liable individuals are identified, a Notice of Personal Responsibility and/or Notice of Estimated Personal Liability is issued from CACSG and sent to each corporate official or member of the partnership, requesting that they give reason why they should not be held personally responsible for the business debts. The notice must be sent to the liable individual's best address determined by research in AR, DMV, etc. The letter will have a due date for response and includes a personal responsibility questionnaire. It is preferred that the letter by sent by certified mail.
Response to the notice, returned mail, and any action related to the notice must be recorded in CACSG. Assessment must not be converted for at least 10 business days after the response date on Notice. An Agent must review their assigned correspondence in Siebel prior to converting any assessments. The process of converting bills occurs in AR. Only trust taxes such as sales and withholding can be converted. Corporate income tax, Pass Thru Entity and Litter assessments cannot be converted.

Determination of Responsibility

In order to assess a penalty in the amount of the tax, penalty, and interest owed by a business to an individual, the individual must meet the definition of responsible person as described in Code of Virginia §58.1-1813. It must be determined that the individual had knowledge of the failure to pay taxes, had the authority to prevent such failure and that resources of the business were available to make payment. In cases where responsibility remains indeterminate and the Field Agent believes that businesses financial records may enhance the investigation, a Subpoena Duces Tecum may be requested through the Supervisor. The following are guidelines for determining knowledge and authority:

- **Knowledge:** Virginia Tax has records of the various contacts that have been made with the individual in attempting to collect taxes due. Collaborating statements from employees, accountants, other officers, or partners, etc. indicating the individual was aware taxes were due.
- **Authority:** The determination of authority derives from determination of which individual is responsible for business expenditures (who decides which bills will be paid). The general definition of responsible person is a person who had knowledge of the tax liability and the authority to dictate the direction of business funds. Records such as corporate minutes, financial institution signature cards, copies of tax returns, and checks submitted as payment are useful in determining which individual had the authority to file and pay taxes.

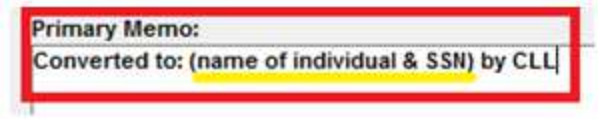
Notice of Personal Responsibility Hearing (Show Cause Hearing)

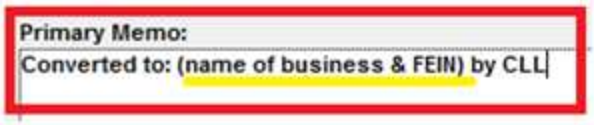
If there is not sufficient information for the Field Agent to make a determination of responsibility for unpaid taxes of a business, a hearing may be scheduled. The Hearing Officer will evaluate evidence presented and determine responsibility for the unpaid taxes. When the parties cannot agree on responsibility, a hearing gives all parties an opportunity to make statements and provide documents related to responsibility for paying taxes. The ruling made by a Hearing Officer will stand as the official finding of Virginia Tax regarding responsible parties (Chapter 5, Hearings, Padlock and Revocation, Conducting a Show Cause Hearing).

Follow-Up Action

When an individual is assessed with unpaid taxes of a business, the account consisting of converted assessments moves into the CACSG collections process if the balance due is not paid within 30 days. Appropriate collection action will be taken in the same manner as business or individual income tax accounts. District procedure may indicate that the converted assessment account is manually routed to the Field Agent who created the assessments.

Field Agent should notate the "Primary Memo" section in CACSG on both the individual and business side with the following:

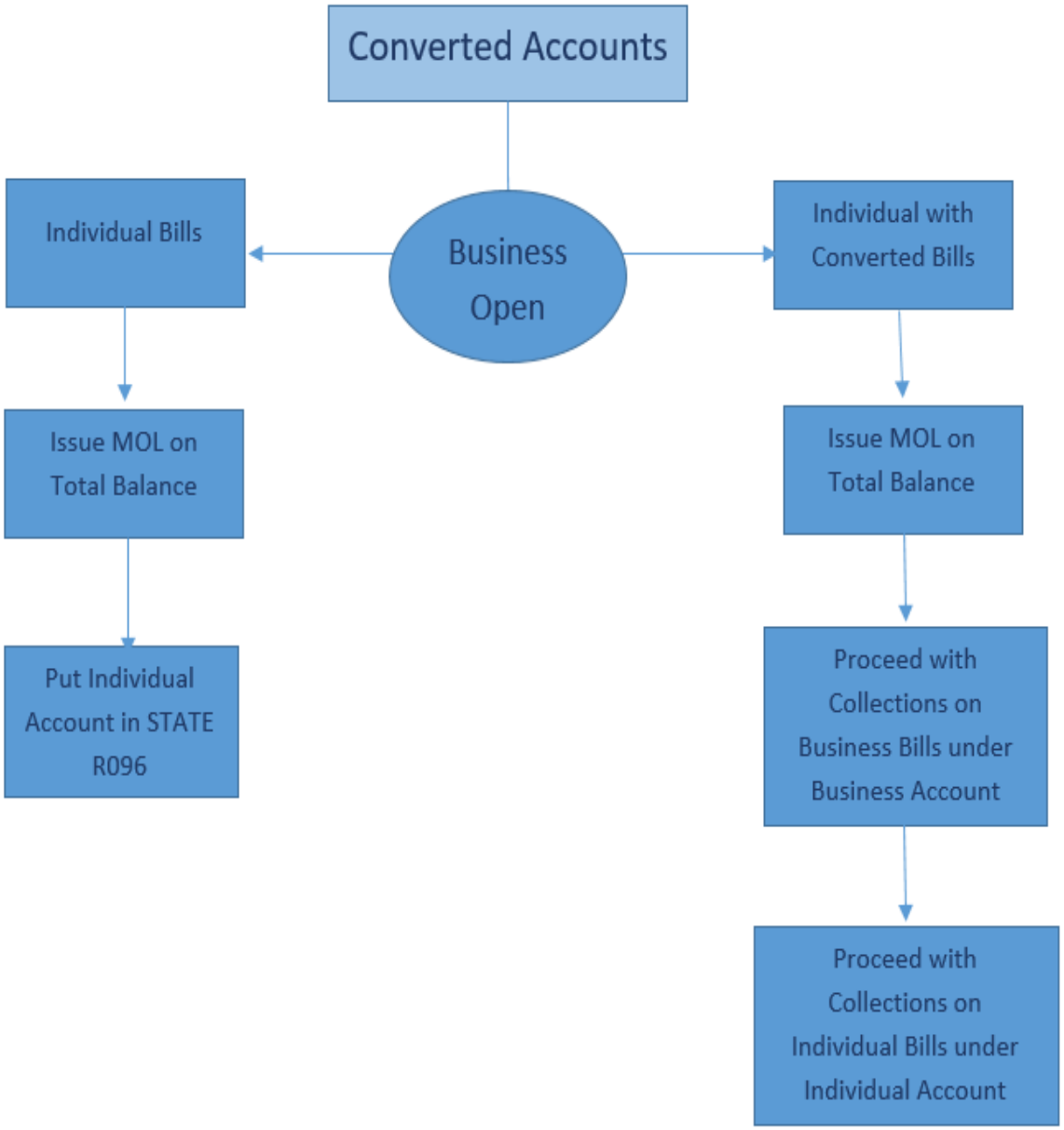




Converted CACSG States

If the business is open, the converted individual account should be put into CACSG state R096 - Individual Converted – Do Not Collect. Before it is put into this state a Memorandum of Lien should be entered on the account if the balance is not going to be paid in full before the statute for issuance of Memorandum of Lien expires. Field Agent must follow the procedures for issuing a Memorandum of Lien. See Chapter 5, Collection Tools.

If the business is closed and payments are not being made under the business account then the business account should be put into CACSG state R099 – Business Conversion Hold or R098 – Business Partial Conversion. Field Agent must make sure the entire balance has a Memorandum of Lien. Field Agent must follow the procedures for issuing a Memorandum of Lien. See Chapter 5, Collection Tools.


Converted Accounts
Business Open
Individual Bills
Individual with Converted Bills
Issue MOL on Total Balance
Issue MOL on Total Balance
Put Individual Account in STATE R096
Proceed with Collections on Business Bills under Business Account
Proceed with Collections on Individual Bills under Individual Account

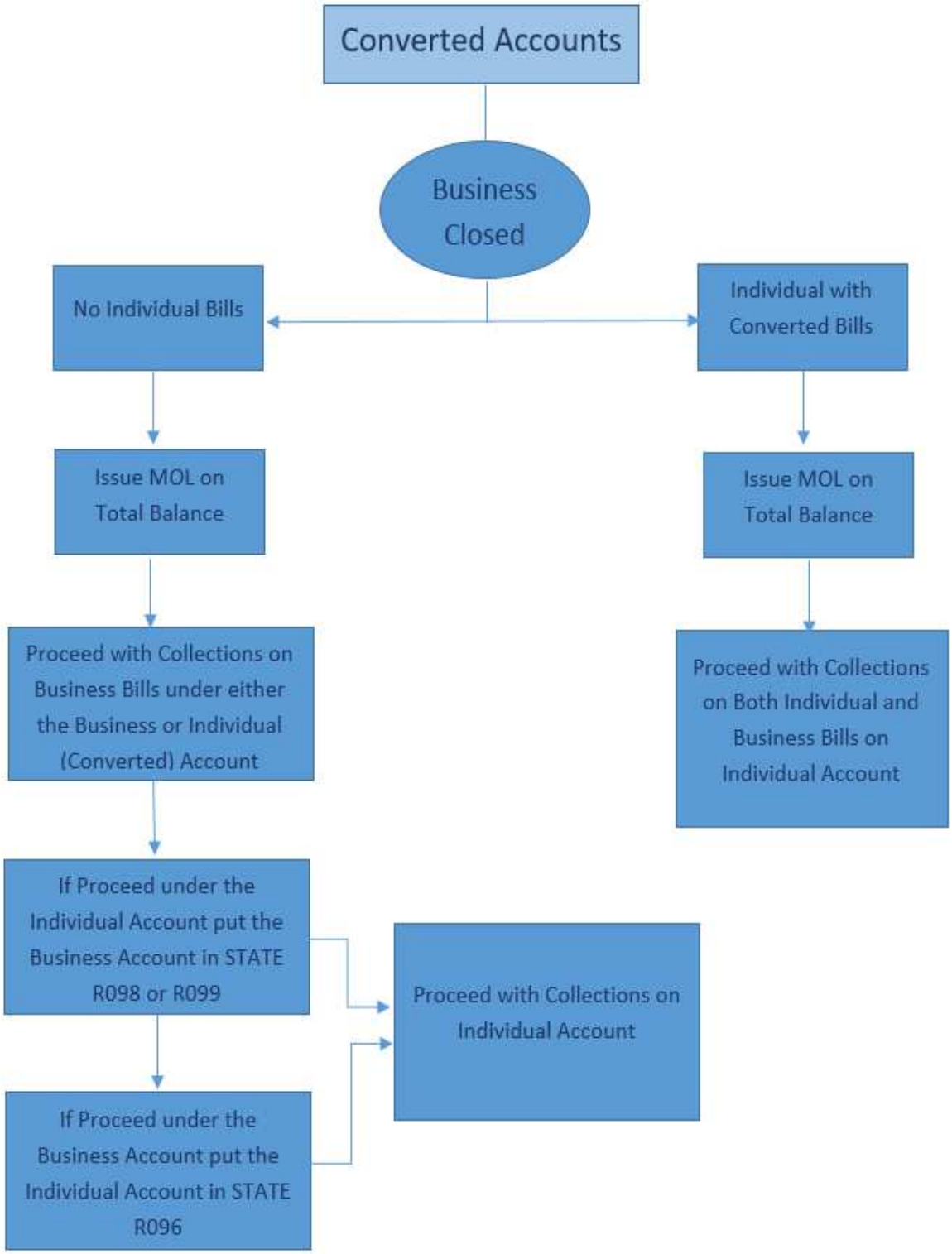

Converted Accounts
Business Closed
No Individual Bills
Individual with Converted Bills
Issue MOL on Total Balance
Issue MOL on Total Balance
Proceed with Collections on Business Bills under either the Business or Individual (Converted) Account
Proceed with Collections on Both Individual and Business Bills on Individual Account
If Proceed under the Individual Account put the Business Account in STATE R098 or R099
Proceed with Collections on Individual Account
If Proceed under the Business Account put the Individual Account in STATE R096

Exhibit 9a – Successor Liability Letter

Date

Successor Name
Address.
City, State, Zip Code

RE: Business Name
VA Acct: XX-XXXXXXX-001

Dear Customer,

According to our records, the above referenced business owes $13,475.90 in unpaid sales tax, penalty and interest for the period of February 2005 through December 2005. Our preliminary investigation indicates that Successor Name may be held liable for these unpaid taxes under Virginia Code 58.1-629. This conclusion is based on the fact that Successor Name is the purchaser of the assets of Business Name, and its successor in interest.

If you disagree with this conclusion, you must file a comprehensive reply stating the facts and circumstances regarding the relationship between Successor name and Business Name. Please provide a copy of the purchase agreement. Your reply should reach me within 15 days from the date of this letter.

If no response is forthcoming, Successor Name will be assessed with the tax, penalty and interest due and unpaid on the account of the operation of the business by Business Name. Appropriate legal action will be taken to collect the amount due.

Sincerely,

Field Agent's Name
Senior Field Agent

Exhibit 9b – Offer in Compromise Chart

Offers that are for **penalty waiver** or **doubtful liability** should be assigned to Vickie Duffey with the destination of Customer Satisfaction. Offers that are **doubtful collectibility** and offers that have been **converted to officers**, regardless of the reason, should also be assigned to Vickie Duffey, Collections OIC.	
Effective July 1, 2017 TAX will be charging a FEE for the following: 1)Request for an OIC with respect to doubtful collectibility 2) Letter ruling 3) Local business tax advisory opinion or 4) Corporate income tax filing status change request. TAX Bulletin 17-5 provides TP's with information regarding costs, forms and instructions on how to submit fees.	
OIC B-2	Is for businesses requesting a penalty waiver or a waiver based on doubtful liability.
OIC I-2	Is for individuals requesting a penalty waiver or a waiver based on doubtful liability.
OIC I-3	Is for individuals based on doubtful collectibility. They must include **OIC FEE** and **FIN I-1.**
OIC I-3	Is also the forms used for individual converted debt. **If the business is closed or the debt is converted they need to use the individual forms.**
OIC B-3	Is for businesses based on doubtful collectability. They must include **OIC FEE** and **FIN B-1.**
CONVERTED & BUSINESS OPEN	If the business is open and the debt is converted the TP will need to complete **B-2** for penalty waiver or doubtful liability. Forms **B-3/I-3** should be completed based on doubtful collectibility (OIC FEE must be included for doubtful collectibility). **For converted debt the Field Agent must verify doubtful liability.**
BUSINESS CLOSED - no matter if converted or not	If the business is closed the TP will need to complete form **I-2** based on doubtful liability or **I-3** based on doubtful collectability (OIC FEE must be included for doubtful collectibility). **For converted debt the Field Agent must verify doubtful liability.**
SOLE PROP	Complete individual and business Financial Statements.

Chapter 10

Statute of Limitations

Statutory provisions that limit the time period in which 1) Virginia Tax may perform certain activities, such as issuing assessments, 2) a taxpayer may file refund claims or appeals, or seek judicial remedy with respect to a contested assessment.

STATUTE OF LIMITATIONS FOR THE ASSESSMENT OF STATE TAXES	
THIS DOES NOT REPLACE AUTHORITATIVE DIRECTIVES OR REGULATIONS	
TAX TYPE	**PERIOD OF LIMITATIONS FOR ASSESSMENTS FROM THE DUE DATE OF THE RETURN**

SALES & USE Virginia Department of Taxation (VA CODE §68.1-634)

Generally	3 years
False or fraudulent return	6 years
Failure to file a return	6 years

EMPLOYEE WITHHOLDING & INCOME- INDIVIDUAL & CORPORATE (VA CODE §58.1-104 & §58.1-312)

Generally	3 years

EXCEPTIONS

Failure to file a return	Unlimited
False or fraudulent return	Unlimited
Failure to report change in federal income	Unlimited
Failure to report decreased in tax credit claimed for another state as a result of audit or amendment by the other state	Unlimited
Signed waiver of time limitations	Unlimited
Failure to report change or correction to federal income tax	1 year
Recovery of erroneous refund due to Virginia Tax	2 years
Recovery of erroneous refund based on fraud or misrepresentation of a material fact	5 years

OTHER STATE TAXES (VA CODE §58.1-104)

Generally	3 years
False or fraudulent returns	6 years
Failure to file a return	6 years

HB643 7 Year Statute of Limitations on Collections

Any assessment made after July 1, 2016 has a 7 year statute of limitations and must be discharged after that time. Exemptions:

- Official payment agreement and MOL
- If under bankruptcy the statute of limitations starts back after the bankruptcy is discharged or dismissed

Limitation on the Collection of Taxes by Virginia Tax

House Bill 643 (Chapter 634) provides that the Virginia Tax must cease all efforts to collect any unpaid tax seven years after the assessment of the tax, even if a collection action has been initiated before the expiration of the seven-year period.

Under current law, the period of limitations for Virginia Tax to make or institute collection action by lien, a proceeding in court, or any other means available to the Tax Commissioner under the laws of the Commonwealth is seven years from the date of the assessment. If some form of collection action is taken within the seven-year limitations period, most assessments remain collectible until satisfied.

As under current law, the period of limitations on collection will continue to be suspended for periods when (i) the taxpayer's assets are in control or custody of the U.S. Bankruptcy Court or any other federal or state court, or (ii) the taxpayer is outside the Commonwealth for a continuous period of at least six months. In addition, this legislation clarifies that the period of limitations on collection will be suspended for any periods when an installment payment agreement between the taxpayer and the Virginia Tax is in effect. Collection actions pursuant to execution of liens created by a judgment lien or a MOL under Virginia Code §58.1-1805 are not affected by this legislation.

- Effective: Assessments made on and after July 1, 2016
- Amended: *Virginia Code §58.1-1802.1*

Statute of Limitations on Assessments

For the purposes of the income tax, an assessment may be made at any time if no return has been filed, Virginia Code §58.1-312. When a return has been filed on or before the original due date, an assessment must be made within three years of the original due date. If a return has been filed on or before the extended due date, whether such extension was granted by Virginia Tax or automatically, an assessment must be made within three years of the extended due date.

This is because, under Virginia Code §58.1-1812, returns filed before "the last day prescribed by law for the timely filing thereof shall be considered as filed on the last day." Finally, when a return has been filed after the extended due date, Virginia Tax has three years after the submitted date of the return to make an assessment, Exhibit 10a and Virginia Code §58.1-1812.

Statute of Limitations on Refund/Amended Returns

Taxpayers who do not file a return have three years from the original due date to file a return requesting a refund (Virginia Code §58.1-499). When a return has been filed on or before an original or extended due date, whether such extension was granted by Virginia Tax or automatically, an amended return must be filed within three years of the original or extended due date, as applicable (Virginia Code §58.1-1823). Finally, when an original return has been filed after the due date, whether original or extended, the taxpayer has from three years after the original due date to file an amended return.

This is because, under the provisions of Virginia Code §58.1-499 (D), an original return and, under Virginia Code §58.1-1823, an amended return must be filed within three years from the last day prescribed by law for the timely filing of a return. If a return is not filed within an extension period, the extension is negated and the last day allowed for the timely filing of the return reverts to the original due date.

Refund Match Statute of Limitations

Policy has also been questioned regarding the statute of limitations for situations in which a refund has been applied to an outstanding assessment and the assessment is later reduced or abated. In such situations, Virginia Tax must first determine whether or not the refund return was timely filed. If not, no refund may be issued to the taxpayer regardless of the timing of the assessment reduction or abatement. If the refund return was timely filed, Virginia Tax must then refer to the two-year statute of limitations related to bill Payments that is provided in Virginia Code §58.1 -1823.

Statute of Limitations on Refunds		
Payment Type	**SOL**	**EXCEPTION**
Return	3 years – Typically	If duplicate, no SOL. If the taxpayer amends on the federal level or they are audited by another state and have to claim an OPC outside of the 3 year statute, they have one year to amend with us. The extension applies to the return, estimated, extension and OPC applied to the same tax year.
Miscellaneous	2 years	If duplicate, no SOL. For the miscellaneous payment you would have to see what the intent of the payment was supposed to be. If it was truly a bill payment then it would have the same two year statute, likewise if it was a lien payment that got moved to a TAP because the bill was removed, then it is a two year statute. But again if the taxpayer amends on the federal level or they are audited by another state they have one year to amend with us and they will get a refund.
Extension, OPC and Estimated	3 years – Typically	
Lien	Treat as bill payment	
TOPS	No SOL	
Duplicate	No SOL	
Bill	2 years	
Bankruptcy	Treat as a bill payment	

Exhibit 10a – Limitations on Issuing Assessments

Limitations on Issuing Assessments

The *Code of Virginia* requires the Department of Taxation to issue assessments for many reasons. For example, a taxpayer may file a return without payment, file late, or make a mistake in computing the liability on the return. In other cases, an audit may change the liability, the taxpayer may fail to file a return, or the taxpayer may submit an amended return. Any of these situations could cause an assessment to be issued.

In order for an assessment to be valid, however, the assessment must be issued within the time provided by law. The allowable time for issuing an assessment, also called the period of limitations, is governed by specific provisions (statutes of limitations) within the *Code of Virginia*. This Job Aid addresses the limitations that apply to the major taxes administered by TAX, which include income taxes, sales and use taxes, and litter tax. In this context, "income taxes" includes all taxes imposed under Chapter 3 of the *Code of Virginia, Title 58.1,* which means individual income tax (including unified returns), fiduciary income tax, corporation income tax, pass-through entity income reporting and withholding on nonresident owners, and employer withholding tax.

Two *Code* Sections govern the limitations on assessment for the taxes covered in this Job Aid: Section 58.1-312, which addresses various special circumstances for income taxes, and Section 58.1-1812, which makes general assessment provisions for nearly every tax administered by this agency.

As a general rule, an assessment must be made no later than three years from the due date for filing the return, or three years from the date the return was actually filed, whichever is later. Exceptions apply for special circumstances, such as federal audits, amended returns, and nonfilers.

Why Is the Period of Limitations Important?
The applicable statute of limitations requires TAX to act within a specific period of time, in effect putting closure to the period for which a taxpayer can be subject to an additional liability for a given tax period. If the agency fails to issue an assessment within the required time, the assessment is not valid and must be removed, even if the taxpayer actually owes the amount due. Examples of cases where this has occurred include:

1. An individual filed amended tax-due returns for 2003 through 2010 on January 23, 2014, but failed to include payment. The amendments were not associated with a federal audit. Assessments were issued on August 24, 2015, more than one year after the returns were filed. The bills had to be discharged.

2. An individual filed an amended return for 2009 on June 20, 2012, based on a recently completed federal audit, but failed to make a payment. The balance due was assessed on September 16, 2014, more than three years after the due for the original return and more than one year after the taxpayer reported the federal audit changes. On October 17, 2016, an adjustment was made to the estimated payments on the account, and a second bill was issued, again out-of-statute. Both bills had to be discharged.

Failing to issue an assessment within the required time and/or failing to remove an assessment issued beyond the statute of limitations may result in improper collection action. It is important to be aware of this issue when handling cases that involve assessments for older periods.

How to Spot a Problem
First, pay close attention to the taxpayer's question or protest – that may be the first clue that an assessment was issued after the statute of limitations expired. Don't be sidetracked by the age of the bill; look for the date of assessment. For example an income tax assessment issued for 2004 on July 16, 2005 is within statute. The taxpayer may be upset because we're collecting on an old bill, but the assessment was issued timely. If, however, the 2004 assessment was issued on July 16, 2009, well after the normal three-year period of limitations, you need to research the liability to determine whether the assessment is within statute.

The guide below provides a quick reference for researching the applicable limitations on assessments.

Guide to Limitations on Assessment for Major Tax Types			
Circumstances	**Tax Type**	**Time Limitation**	***Code of Virginia* Citation**
Return filed (timely or late); additional balance is due from a problem with the return, or from office audit or field audit adjustments	All	Three years from the due date of the return, including valid extensions, or from the date the return is filed, whichever is later, OR By the extended date specified in a formal agreement between the Department and the taxpayer to extend the statute of limitations for audit purposes.	Section 58.1-1812(A) Section 58.1-101 Section 58.1-1623
No return filed, but tax is owed	Income	No limitation	Section 58.1-312(A)(1)
	Sales and Use, Litter	Six years from the due date for filing	Section 58.1-1812(A)
A false or fraudulent return is filed	All	No limitation	Sections 58.1-312(A)(2) & 1812(A)
Taxpayer fails to report changes made by the IRS, or by other states, that affect the Virginia liability	Income	No limitation	Section 58.1-312(A)(3) and (4)
Return filed, but taxpayer failed to disclose a transaction identified as an abusive tax avoidance transaction	Income	Six years from the due date of the return, including valid extensions, or from the date the return is filed, whichever is later	Section 58.1-312(B)
Taxpayer timely reports audit changes made by the IRS, or by another state	Income	One year from the date the amended return or correction is filed, or three years from the due date of the original return, including valid extensions, whichever is later	Section 58.1-312(C)
Taxpayer files an amended return to otherwise correct an error	Income	One year from the date the amended return or correction is filed, or three years from the due date of the original return, including valid extensions, whichever is later	Section 58.1-312(C)
	Sales and Use, Litter	Three years from the due date of the original return, three years from the date the amended return was filed, whichever is later	Section 58.1-1821(A)
Deficiency created by the application of a net operating loss carryback or a net capital loss carryback	Income	Three years from the due date for filing the *loss year* return, including valid extensions, or three years from the date the loss year return is filed, whichever is later	Section 58.1-312(D)
Recovery of an erroneous refund	Income	Two years from the date the refund was issued (five years in the case of fraud or misrepresentation	58.1-312(E)
	Sales and Use, Litter	Three years from the due date for filing, or three years from the date the return was actually filed, whichever is later	Section 58.1-1812(A)

Note on Tax Types
Income = Individual, Fiduciary, Unified, Corporation, Pass-through Entity, and Employer Withholding
All = Income, Sales and Use, and Litter

Chapter 11

Compliance Enforcement

Field Agents are responsible for enforcement of compliance with Virginia Tax Laws. Compliance enforcement duties include checking active businesses for the appropriate tax registrations (i.e. Sales, Withholding, Corporate, Litter, Tire, Vending, etc.), monitoring special events such as fairs, flea markets, craft shows, festivals, etc. for compliance with Virginia Tax Laws and checking tobacco tax compliance.

Sales and Use Tax Registration Compliance

All businesses engaged in retail sales in Virginia must obtain a Virginia Sales or Use Tax Certificate of Registration (*Code of Virginia §58.1-613.E*). As a Field Agent is working in their assigned territory, they should make note of new businesses and out-of-state vendors making sales or deliveries of taxable tangible property in Virginia. If the Field Agent observes a new retail sales business or out-of-state vendor they can identify themselves and request to see a Certificate of Registration. The Field Agent should explain that they are performing a routine check of Sales Tax Certificates (*Code of Virginia §58.1-103*).

The Sales Tax Certificate of Registration should be posted near the cash register in every business conducting retail sales. The Field Agent should make note of the name and certificate number and check AR registration information to verify the certificate is active.

The Field Agent should make note of the business/vendor name and location and check AR registration information without requesting to see a certificate. Another method of verification of sales tax registration is checking with localities that require business licenses. If verification cannot be obtained through these methods, a visit to the business will be necessary.

If a business engaged in retail sales cannot produce a valid Sales or Use Tax Certificate of Registration upon request, the dealer should be advised of Virginia law and given ten days to obtain a Sales or Use Tax Certificate of Registration. A Free Format letter may be used in CACSG to issue a Notice of Violation to be sent by certified mail or hand delivered to the business (hand delivered mail receipt required), Exhibit 11a.

If the dealer fails to comply with the requirement to obtain a Sales or Use Tax Certificate of Registration while continuing to make taxable sales in Virginia, or it is determined the dealer is operating on a revoked certificate, the matter should be referred to a Senior Field Agent or Supervisor for possible criminal action (Chapter 7, Criminal Warrants).

Registration Compliance – Taxes Other Than Sales & Use

Businesses are required to register for various applicable Virginia taxes including Employer Withholding, Corporate Income, Litter, Vending Machine, Tire, Forest Products and Excise Taxes. If a Field Agent, during the course of routine work assignments, learns that a business has failed to register for a required tax, they should inform the owner of the requirement to register and report the matter to a Senior Field Agent, Supervisor, or appropriate Virginia Tax unit.

Monitoring Compliance for Fairs, Flea Markets, Craft Shows, Festivals, etc.

Field Agents monitor compliance for flea markets and special events such as carnivals, circuses, fairs, festivals, craft shows, etc., operating in their assigned territories. Individuals/dealers selling tangible personal property at these events should hold a Sales Tax Certificate of Registration and are required to collect and remit sales tax on all such sales. For purposes of collection of the tax, no distinction is made between profit and nonprofit vendors. Persons selling at fairs, flea markets, carnivals and circuses do not qualify for the "occasional sale" exemption set forth in the sales tax regulations of 23VAC10-210-1080.

Any person selling at flea markets should contact Virginia Tax to obtain a Certificate of Registration for purposes of making sales at the fair, flea market, etc. Virginia Tax may authorize sponsors or operators of fairs, carnivals, flea markets, circuses, etc. to remit the tax collected by persons selling at such events. Any operator or sponsor seeking authorization to remit tax on behalf of participants must apply in writing to Virginia Tax.

Flea Markets

Many flea markets are established venues consisting of dealers who sell on a regular basis. Therefore, dealers making sales at a flea market should apply for a Virginia sales tax Certificate of Registration and display the certificate when making sales. Dealers participating at a flea market less than three times per year may use the Temporary Sales Tax Certificate/Return (Form ST-50), Exhibit 11b. The form can be downloaded online.

Field Agents are responsible for monitoring compliance at flea markets. This includes being aware of flea markets operating in their assigned territory, contacting sponsors and dealers to provide information regarding sales tax compliance, providing forms to dealers for filing sales tax, checking certificates of registration, and follow-up on compliance (following up to determine if non-registered dealer obtained a Certificate of Registration, following through with legal action such as Criminal Warrants on dealers that refuse to comply). When checking compliance at large flea markets, the Field Agent may request assistance from their Supervisor and other Field Agents (Code of Virginia §58.1-612, §58.1-615, 58.1-616, §58.1-625, §58.1-635, §58.1-636, and Virginia Tax Administrative Code 23VAC10-210-570).

Festivals, Carnivals, Craft Shows, and Special Events

Festivals, carnivals, craft shows and special events differ from flea markets, as they usually do not operate on an ongoing basis. Generally, these events are held for a limited number of days per year. Vendors participating at these events are required to collect and remit sales tax. Due to the large number of vendors participating at many of the shows, festivals, special events, etc., it is not economical or practical to require all participating dealers to complete a Sales Tax Certificate of Registration application. **A minimum of two agents must be present and receive prior approval from management before any returns and/or payments are collected at any Flea Market, Festival, Carnival, Craft Show or Special Event.**

The following forms have been developed specifically for use for craft shows, festivals, special events, etc.:

- **Temporary Sales Tax Certificate/ Return (Form ST-50):** Dealers that make sales on a limited basis (three or less shows per year) at a flea market, fair, craft show, festival, etc., may use Form ST-50 for remitting Virginia sales tax for the event.
- **District Sales Tax Returns for Festivals, Fairs and Craft Show:** Districts may develop temporary sales tax returns for specific festivals, fairs, and craft shows. These forms are primarily designed for the use of Virginia and/or out of state dealers that participate in one specific show per year.

Field Agents are responsible for monitoring compliance at festivals, craft shows and special events. This includes being aware of events scheduled in their assigned territory, contacting sponsors and providing information regarding sales tax compliance, providing forms to dealers for filing sales tax, checking registrations at events (if applicable), collecting returns and payments at the event and follow-up on compliance (keeping records of participating vendors and contacting dealers that did not file/pay). The size and location of the event are factors used by Supervisors in determining the staffing needs and extend of monitoring required for the event.

The District Offices have established new account numbers for their temporary sales tax payments and returns.

Account Number	District	BLD
999999111	Northern	11/13
999999222	Bristol	12/13
999999333	Richmond	12/13
999999444	Roanoke	10/13
999999555	Eastern	12/13

Tobacco Tax Compliance

The responsibility for monitoring tobacco tax compliance is primarily handled by the Office of Customer Relations – Tobacco Unit. However, Field Agents may be asked to assist in monitoring compliance with tobacco tax laws.

Field Agents sometimes receive complaints from local officials, law enforcement agencies, or citizens regarding tobacco tax law violations. These complaints may include reports of dealers selling cigarettes without tax stamps, dealers selling cigarettes with out-of-state tobacco tax stamps, reports of suspected counterfeit tobacco stamps and reports of violations of law by local tobacco product wholesalers. Any such reports should be reported to the Supervisor. Field Agents may be asked to visit the dealer and check tobacco products on the premises for compliance with Virginia Tax Laws.

Exhibit 11a - Notice of Violation

COMMONWEALTH of VIRGINIA

Department of Taxation

(DATE)

Business Name and
Address

Trade Name (if any): **********

Business Location: Business location

Dear *******,

The Code of Virginia requires every person desiring to engage in or conduct business as a dealer in the Commonwealth to file with the Tax Commissioner an application for a Certificate of Registration for each place of business in this Commonwealth.

According to our records you have failed to register this business and are subject to Section 58.1-613.E. of the *Code of Virginia*, which reads as follows:

> **"Any person who engages in business as a dealer in this Commonwealth without obtaining a certificate of registration, or after a certificate of registration has been suspended or revoked, and each officer of any corporation which so engages in business shall be guilty of a Class 2 misdemeanor. Each day's continuance in business in violation of this section shall constitute a separate offense."**

The punishment for a Class 2 misdemeanor may include a jail sentence not to exceed six months and/or a fine not to exceed $1,000.00.

This notice is to advise you that we will ask the court to take action against you unless this matter is resolved by (DATE).

If you have any question or need assistance, please call me at (804) xxx-xxxx.

(FIELD AGENT NAME)
Senior Field Agent

Exhibit 11b - ST-50

Commonwealth of Virginia
Department of Taxation
TEMPORARY SALES TAX CERTIFICATE/RETURN --- ST-50

Use This Form for Events Held on or After July 1, 2020

The Virginia Sales and Use Tax Act requires the collection of tax on all retail sales made in the Commonwealth of Virginia except those exempt by law. (§ 58.1-603, 604).

The general sales tax rate for Virginia is 5.3% (4.3% state tax and 1 % local tax).

Northern Virginia Region: An additional 0.7% regional rate in Northern Virginia (5% state tax and 1% local tax). This rate applies to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; and in the Counties of Arlington, Fairfax, Loudoun, and Prince William. The additional tax will not be levied on essential personal hygiene products or food purchased for human consumption that is taxed at a reduced rate.

Hampton Roads Region: An additional 0.7% regional rate in Hampton Roads making the rate 6% (5% state tax and 1% local tax). This rate applies to the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Isle of Wight, James City, Southampton, and York. The additional tax will not be levied on essential personal hygiene products or food purchased for human consumption that is taxed at a reduced rate.

Historic Triangle Region: An additional 1.0% rate in the Historic Triangle applies to the City of Williamsburg, and the Counties of James City and York. These localities are within the Hampton Roads Region making the rate 7% (6% state tax and 1% local tax). The additional tax will not be levied on essential personal hygiene products or food purchased for human consumption that is taxed at a reduced rate.

Additional Local Option Tax in Halifax County: An additional 1.0% rate applies to Halifax County, making the rate 6.3% (4.3% state tax, 1% local tax, and 1% additional local tax). The additional tax will not be levied on essential personal hygiene products or food purchased for human consumption that is taxed at a reduced rate.

You are required to provide us with your name and account number if you are permanently registered in Virginia. Virginia account number is _____ . If you are permanently registered in a locality other than the one where the show was held, you must file and pay tax collected at the show using this form. Returns are due and payable on or before the 20th of the month following the show/event. If you attend 3 or more shows a year, you must register with the Department and obtain a Virginia sales tax account number. Go to our website at **www.tax.virginia.gov** or call **(804) 367-8037** to obtain a registration form.

Complete Form A, B, C, or D on the following page depending on the location of your sale.

Make checks payable to the Virginia Department of Taxation. Do Not Send Cash.

MAILING INFORMATION

Send completed form and payment to:

Virginia Department of Taxation
P O Box 26627
Richmond, VA 23261-6627

If you have questions or need more information, call **(804) 367-8037**.
ST50 1504288 Rev. 04/20

ST-50 Return - *Use this form for events held on or after July 1, 2020*

Form A - To be used for sales in locations **EXCLUDING** Halifax County, and the Hampton Roads and Northern VA Regions.

Show / Event Information

Show Name _____ Date of Show _____

Show Location _____ City / County _____

Vendor Information

Vendor Name _____ Trading As _____

SSN / FEIN _____ Telephone Number _____

Address _____

Taxable Sales $ _____ **x.053 =** $ _____

AMOUNT OF SALES TAX DUE: = $ _____

Form B - To be used for sales **ONLY** in the Hampton Roads and Northern VA Regions.

Show / Event Information

Show Name _____ Date of Show _____

Show Location _____ City / County _____

Vendor Information

Vendor Name _____ Trading As _____

SSN / FEIN _____ Telephone Number _____

Address _____

Taxable Sales $ _____ **x.06 =** $ _____

AMOUNT OF SALES TAX DUE: = $ _____

Form C - To be used for sales in the Historic Triangle Region.

Show / Event Information

Show Name _____ Date of Show _____

Show Location _____ City / County _____

Vendor Information

Vendor Name _____ Trading As _____

SSN / FEIN _____ Telephone Number _____

Address _____

Taxable Sales $ _____ **x .07 =** $ _____

AMOUNT OF SALES TAX DUE: = $ _____

Form D - To be used for sales in Halifax County beginning on and after July 1, 2020

Show / Event Information

Show Name _____ Date of Show _____

Show Location _____ City / County _____

Vendor Information

Vendor Name _____ Trading As _____

SSN / FEIN _____ Telephone Number _____

Address _____

Taxable Sales _____ **x .063 =** $ _____

AMOUNT OF SALES TAX DUE: $ _____

Chapter 12

Working with Other Units and Agencies

A Field Agents duties may involve working with Field Agents outside their district group, Virginia Tax employees in Central Office, other state agencies, federal agencies and local, state and federal law enforcement officials. Confidentiality and/or disclosure procedures must be observed at all times.

Referring Accounts for Audits

Field investigations may indicate a need for a detailed review of the taxpayer's records. Issues that may come to a Field Agent's attention include an apparent underreporting of sales tax, the filing of returns that appear unreasonable given the circumstances, purchases of capital assets or supplies without remittance of consumer use tax or individuals that appear to be employees when there is no registration for employer withholding tax. Field Agents may report such instances for a possible field audit.

The recommendation of an audit account should be referred to the District Audit Manager. Email the District Audit Manager and include the following:

- Taxpayer's name;
- Federal Employee Identification Number;
- Tax Type;
- Periods in question;
- Reason for request.

Referring Accounts to the Bankruptcy Unit

When a Field Agent verifies that a taxpayer has filed for protection under the U. S. Bankruptcy Code, they must cease collection activity immediately. The Field Agent should request the following information:

- Date of Bankruptcy Filing;
- Bankruptcy Case Number;
- Bankruptcy Chapter;
- Names of Individuals, or Businesses Included in the Filing;
- Name of Taxpayer's Attorney.

The Field Agent should document this information in AR and CACSG. The account is referred to the Bankruptcy Unit by contacting the Bankruptcy Team Leader by phone or email to provide notification of the bankruptcy filing. The Bankruptcy Team Leader will route the account from the Field Agent to a bankruptcy work state in CACSG and assign the account to the contract bankruptcy group, Taxing Authority Consulting Services, PC (TCS). A bankruptcy flag is posted to the taxpayer's bills in AR. TCS handles all matters pertaining to the account during the period the taxpayer is under bankruptcy protection.

TCS holds the account for a minimum of six months after bankruptcy discharge or release before the account is returned to the field. The Field Agent must refer any contact from the taxpayer or their attorney to this unit. TCS has certain access to AR and CACSG and will post history to the accounts. They

also have access to Virginia Tax secure email allowing secure messaging between the field, Central Office and TCS.

Referring Accounts to Outside Collection Agencies

When Field Agents have exhausted collection efforts, an account may be evaluated for referral to an Outside Collection Agency (OCA). The Senior Field Agent or Supervisor should review the account before it is routed to the pending outside collection agency work state in CACSG. The OCA does not issue bank liens or MOLs. When an OCA determines that their usual collections process been unsuccessful, they may submit a request to issue liens to DCU/Virginia Tax. Prior to referring an account to an OCA, Field Agents should attempt to resolve the account with payment arrangements or by issuing third party liens or bank liens. MOLs on the total account balance due and the account should be converted, if applicable, before referring to the OCA. When a Field Agent wants an account to be referred to the OCA, they must email the Senior Field Agent the following information:

- Account name;
- FEIN, SSN or CACSG number;
- MOL recorded on account, if applicable;
- Account Converted, if applicable;
- Collection attempts in the last 90 days;
- Reason for referral.

The Senior Field Agent will review the account and either approve or deny the referral request, notate CACSG with their decision and then notify the Field Agent.

Handling Outside Collection Agency Accounts

Delinquent tax cases that meet certain criteria are randomly assigned to contract outside collection agencies. Generally, Field Agents should refer any calls in reference to an account assigned to a collection agency to the specific agency involved. For OCA phone numbers, contact the Central Office Delinquent Collections Unit (DCU) Supervisor, or DCU staff. However, if a taxpayer states they have submitted requested information, have not been given credit for a payment, or have a complaint about a collection agency, the DCU Team Leader or DCU personnel responsible for handling such matters can be notified.

Requests for an account to be transferred from an OCA to a Field Agent may be made when there are extenuating circumstances such as an account with a high volume of nonfilers, prior history with taxpayer indicating high risk, converted account, or the account is a possible candidate for a revocation or Padlock Hearing. These requests for recall can be directed to the DCU Team Leader or DCU personnel responsible for routing OCA accounts.

Exchanging Information with State and Federal Agencies

All tax information maintained at Virginia Tax, including home offices, is confidential. Disclosure or making known to other persons any information is strictly prohibited. This includes not only Virginia tax information, but also other information obtained within performance of job duties such as IRS, VEC, DMV and locality information from Commissioners of the Revenue, or Treasurers.

Direct exchange or disclosure of information to federal, state and local agencies is protected under the disclosure provisions unless pursuant to an agreement. When information is being requested by a federal or state agency per an agreement, a valid request must be submitted per procedures outlined in the agreement.

There are circumstances where Field Agents need to obtain additional outside information to complete field investigations. In addition, there may be a need to coordinate the closing of a business with ABC, or to obtain a copy of a federal tax return to examine schedule information. If such information is deemed material, a request should be forwarded to the Supervisor. Pertinent information, including the specific information requested and supporting facts should be provided with the request. Generally, the Supervisor will forward this information to the Disclosure Officer for approval.

Any documents received from federal or state agencies through the Disclosure Officer are to be held strictly confidential. When not in use, the documents are to be sealed, marked as confidential and kept in a double locked, secure location. Upon completion of the review of the documents: they are to be sealed, labeled as confidential, sealed in another envelope, and forwarded to Virginia Tax's designated security employee for proper destruction.

Under no circumstances is any information received from federal or other state agencies to be released to another agency or locality. Any unauthorized release outside of legal agreements is a criminal offense. It is also a violation not to report known unauthorized disclosures to the Supervisor. (Virginia Code §58.1-3; Chapter 20, Standards of Conduct, Confidentiality, and Disclosure)

Disclosure (UNAX) of Information

As required by the Tax Information Exchange Agreement between the State of Virginia and the Federal Government, Virginia Tax must make all employees aware--on a yearly basis--of the Federal and State provisions regarding confidentiality and unauthorized disclosure (UNAX) of tax information. UNAX is an IRS acronym for the Willful Unauthorized Access and Inspection of Taxpayer Information. The following provisions from Virginia Code Section 58.1-3 and IRS Code Sections 6103, 7213, and 7431, must be read and understood by every employee who has access to or control of State and/or Federal tax information.

- Management needs to be aware of the necessity to include the Information Security Officer in any contract planning where the handling, usage, or storage of Federal Tax Information may be part of the contractor's duties and in cases when subcontracting may occur by the contractor.
- Remember, everyone must wear their Virginia Tax ID badge at all times. It must be visibly displayed. It is not acceptable to keep it in a pocket out of view or on your desk.
- The IRS Witnessed Destruction Bins must be locked at all times and must not be overfilled. Caution: You should not be able to reach in and remove documents with your hand, this is considered overfilling. Managers and Supervisors are required to monitor the bins in their areas and notify warehouse for additional bins.
- Make sure you lock your computer every time you leave your desk. If you do not, there is the potential for an unauthorized disclosure (UNAX) for which you will be held accountable.

Section 58.1-3 Secrecy of Information; Penalties

A. Except in accordance with proper judicial order or as otherwise provided by law, the Tax Commissioner or agent, clerk, commissioner of the revenue, treasurer, or any other state or local tax or revenue officer or employee, or any person to whom tax information is divulged pursuant to §58.1-2712.2, or any former officer or employee of any of the aforementioned offices shall not divulge any information acquired by him in the performance of his duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation. Such prohibition specifically includes any copy of a federal return or federal return information required by Virginia law to be attached to or included in the Virginia return. Any person violating the provisions of this section shall be guilty of a Class 1 misdemeanor.

Section 6103 Confidentiality and Disclosure of Returns and Return Information

B. **General Rule** – Returns and return information shall be confidential, and except as authorized by this title –
   1. No officer or employee of the United States,
   2. No officer or employee of any State, any local law enforcement agency receiving information under subsection (i)(7)(A), any local child support enforcement agency, or any local administering a program listed in subsection (1)(7)(D) who has or had access to returns or return information under this section, and
   3. No other person (or officer or employee thereof) who has or had access to returns or return information under subsection (e)(1)(D)(iii), paragraph (6),(12), or (16) of subsection (I), paragraph (2) or (4)(B) of subsection (m) or subsection (n), shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provision of this section. For purposes of this subsection, the term "officer or employee" includes any former officer or employee.

Section 7213(a) (2) (IRC). --- Unauthorized Disclosure of Information

C. **(2) STATE AND OTHER EMPLOYEES** - It shall be unlawful for any person (not described in paragraph (1)) willfully to disclose to any person, except as authorized in this title, any return or return information (as defined in section 6103(b)) acquired by him or another person under subsection (d), (i)(3)(B)(i), (7) (A) (ii), (I) (6), (7), (8), (9), (10), (12), (15), or (16) or (m)(2), (4), (5), (6) or (7) of section 6103. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding $5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.
   - Section 7431 (IRC) Civil Damages for Unauthorized Inspection or Disclosure of Returns and Return Information 7431 (a) (2) Inspection or disclosure by a person who is not an employee of the United States - If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of Section 6103, such taxpayer may bring a civil action for damages against such person in a district court of the United States. Memorandum of Agreement between Tax and the Virginia Information Technologies Agency (VITA) and Tax's Procedures for Safeguarding Federal Tax information
   - All supervisors - both at the VITA/NG and at Virginia Tax - are required to maintain current lists of all staff that are authorized to have access to Federal Tax information or tapes. Any changes to access should be reported to the Information Security Officer of Virginia Tax within 30 days of the change.

REQUIRED ANNUAL NOTICE OF THE TAXPAYER BROWSING PROTECTION ACT

Browsing is the access or examination of confidential tax records without an assignment or business reason for so doing. The willful or negligent unauthorized inspection of federal tax information is a crime. Disclosure (UNAX) through negligence is also a violation.

The Taxpayer Browsing Protection Act provides for civil damages for unauthorized inspection, as well as disclosure (UNAX). A taxpayer whose federal tax records are illegally inspected or disclosed may recover damages of $1000 or actual damages, whichever is greater. An employee convicted of violating the Act can be fined up to $1000, or sentenced to a jail term of up to six months, or both. All federal employees, state employees, local employees, and contractors having access to federal tax information are subject to this law.

All suspected violations of the Taxpayer Browsing Protection Act must be reported to the Treasury Inspector General for Tax Administration (TIGTA). This can be done in several ways:

1. Call the Virginia Tax Disclosure Officer at (804)-404-4029.
2. Call the Field Division Office of the Treasury Inspector General for Tax Administration at (215)-861-1003.
3. Call the Treasury Inspector General for Tax Administration Integrity Hotline at (800) 589-3718.
4. Call the Virginia Tax Information Security Officer (Simon Xue) at 804-404-4130.

TIGTA Inspectors will perform all investigations of unauthorized access of federal information; Virginia Tax's management will not attempt to investigate or evaluate the merits of any allegation of wrongdoing. However, if an employee elects to contact the TIGTA directly about suspected browsing, the Disclosure Officer should be notified so that Virginia Tax's management will be apprised of any potential problem. If you have questions concerning unauthorized access or other disclosure (UNAX) and security issues, contact the Virginia Tax Disclosure Officer or the Virginia Tax Information Security Officer. Additional information can be located on the Treasury Inspector General for Tax Administration's website.

Chapter 13

Accounting Transactions

Accounts are created for individuals and businesses by Virginia Tax for the purpose of processing various tax returns, customer-related information, and establishing account liability. Registration is the distinct process of creating an account for a business. Accounting transactions are automated or manually performed by authorized Virginia Tax staff to maintain accurate account liability. Customer Service representatives perform the majority of manual accounting transactions; however, Field Agents are often required to generate multiple accounting transactions for purposes of account resolution.

Accounting transactions are performed when information is obtained to support the modification of a liability. Information may be obtained internally, from other agencies, the taxpayer, or other delegated authority. Documentation in support of the transaction can be in the form of imaged or written correspondence, fax, secure email, phone call or professional interaction. Thorough account research should be performed prior to and after posting of each transaction to verify accuracy.

Field Agents should document the reason for all accounting transactions in AR and CACSG. Accounting transactions exceeding certain thresholds require supervisory approval. Field Agent should send their Supervisor an email requesting approval. Email should include taxpayer's name, account number and reason for transaction. Upon request for approval, the Field Agent should provide the supporting information to the Supervisor. Once the transaction is posted AR re-evaluates the tax account period, updates the taxpayer financial information, and forwards the changes to CACSG.

Upon approval of the transaction, the supporting information is forwarded to back scanning to be imaged. Approval is not required on all transactions, but the reason for the transaction should always be documented in AR and CACSG.

The following are types of accounting transactions utilized by Field Agents:

- Abatements
- Adjustments
- Assessments
- Conversions
- Correct Payment Posting
- Correct Remittance
- Create Business Nonfiler Assessment
- Create Return
- Discharges
- Move Tax Account
- Move Tax Account Period
- Remove and/or Reinstate Return
- Registrations
- Write Off

Abatements

An abatement is a decrease of the liability due on a bill, either fully or partially. Abatements are seldom needed for data processed through AR because of the ability to adjust return line items, return types and submitted dates.

An abatement should only be performed when an assessment is erroneous. Abatements differ from discharges in that a discharge is performed when an assessment is technically valid, but agency policy supports removal of the charge.

An example supporting an abatement is when manually assessed penalty and interest needs to be decreased or when the taxpayer has provided documentation that justifies a decrease in a bill and/or return originally processed in the STARS legacy system.

Abatements exceeding $1,000.00 or abatements attempted by the original assessing Field Agent requires approval by a Supervisor. All abatement documentation should be recorded in both AR and CACSG.

Adjustments

During initial processing, AR automatically adjusts line items for missing information, negative numbers, and/or calculation errors. Once a return is posted, a Field Agent may adjust the return to make changes to specific line items only and/or any accompanying schedules. Adjustments are performed to correct errors found on original, amended, or informational forms, or to update a return when additional information is provided. Examples of adjustments include entering tax-exempt sales originally omitted by the taxpayer, or, changing the submitted date of the return after receiving documentation of timely filing.

When a return is adjusted, AR automatically adjusts the other items impacted by the change and validates the adjustment against Virginia Tax business and financial rules. As with abatements, adjustments exceeding $1,000.00 are required to be approved by the Supervisor. Procedures listed above for documenting the adjustment in AR notes and providing supporting evidence should also be followed for adjustments.

Add Charges

Add charges is a method of creating a bill that imposes tax and/or penalty and interest liabilities. Add charges should only be used when it is not possible to create the period liability through creating an online return (see **Create Return**) or creating a nonfiler assessment (see **Create Business Nonfiler Assessment**). Add charges cannot be used to replace filed returns and will not remove nonfiler status for a tax period. Add charges can be created for all tax types.

Penalties and interest on delinquent periods are automatically calculated by the system or may be manually calculated. If the taxpayer has provided returns and/or documentation to modify a liability created through add charges, the Field Agent should abate the charges and create a return (see **Create Return).**

Field Agents should use reasonable care when keying assessments with consideration of time limitations imposed by statutes. Upon creation of an assessment, AR evaluates the tax account period and an

automated bill notice is printed and mailed to the taxpayer. Assessments require approval by the CS Supervisor if the total exceeds $10,000.00. Field Agent must email the CS Supervisor and advise the bill needs to be approved. They should include account name and number.

Conversions

Converted tax assessments are business tax assessments that have been assigned to one or more individuals, officers, or partners deemed responsible by Virginia Tax (Chapter 9, Additional Collection Procedures). The Field Agent should use caution when creating conversions to ensure that the statute of limitations is followed.

Correct Posting

The Correct Posting window allows the Field Agent to move tax account period entries to another tax account period. This window is also used to move payments from a known tax account period and to move entries other than payments such as returns, bills, and extensions. This window is not used to associate a bill payment with a different bill. Correct posting is similar to correcting a remittance, however, under the latter, the payment detail can be changed. Posting errors usually include the following:

- Another tax account period in the same taxpayer account
- Another tax account period in a different account of the same taxpayer
- A tax account period for a different taxpayer

Correct Remittance

A remittance is a check, cash, or money order submitted to satisfy one or more liabilities. A remittance can be applied to portions of a bill (tax, penalty, or interest) and a portion applied to a filed return. AR posts remittances to taxpayer liability according to internal business rules. Unless there is an exception (e.g. a specific third party lien payment, AR applies payments to the newest bill first in the order of tax, penalty, and interest. There may be circumstances when the correct payment application is utilized to change how the payment is applied to the bill liabilities.

If necessary, a Field Agent can override and modify the direction and detail of the payment. For example, if a bill payment was posted as an estimated payment, the Field Agent is able to correct the remittance to apply it to the proper bill. Should the payment actually belong to another taxpayer, that error may also be corrected under correct remittance.

Create Business Nonfiler Assessment

AR will automatically identify nonfiler periods and send a delinquent return notice to the taxpayer. If the taxpayer fails to comply, a business nonfiler assessment can be issued. It is an estimated assessment based upon an amount calculated from a pre-set formula by Virginia Tax.

In working field collection accounts, Field Agents will commonly use nonfiler assessments as an effective collection tool. In certain situations third party information is available on which to base a reasonable assessment. For example, estimated employee withholding tax assessments can be based upon a percentage of business wages reported to the VEC or business license gross receipts can be used to calculate estimated sales tax. If these sources are available, the Field Agent may override the estimated tax formula set by Virginia Tax and enter a manual calculation.

In the event the taxpayer files a return after the nonfiler assessment is created, AR will create an original return and reverse the nonfiler assessment. No action is necessary on the part of the Field Agent in this reversal process.

Create Return

Generally, tax returns received in the field are remitted to Central Office for processing and scanning. Fieldwork dictates that returns be processed expeditiously. AR provides the ability to manually create a return by entering the line item and schedule information for business returns posted to the appropriate tax account period. The taxpayer must already have an existing profile, tax account, and tax account period. Returns that are manually keyed are forwarded to back scanning to be imaged.

There are four types of returns available:

- Original – first return
- Amended - to correct an error on an original return
- Additional – extra tax liability over and above original
- Informational – return that provides information, but not used to calculate liability

Once the return is entered, AR calculates the balance due. If the balance is over $10,000.00, the Compliance Support Supervisor must approve the liability.

At times, taxpayers may have to call-in their return information. The Field Agent should use the attached form, Exhibit 13a, to record the provided information and once the return has been created in AR, send the form to back scanning to be imaged and made a part of the taxpayer's record**. It is preferred that the Field Agent does not create an online return and have the taxpayer mail the return in to Virginia Tax.**

Discharges

A discharge reduces an assessment in full or in part when the assessment is technically valid, but agency policy supports removal of the charge. A discharge differs from an abatement in that a debtor is released from obligation of all or part of his or her debts, whereas, an abatement removes an erroneous assessment. Field Agents may need to initiate discharges to bring to an assigned account. In order to provide an audit trail, supporting documentation should be completed by the Field Agent when approval is required on discharges exceeding $1,000.00, Exhibit 13b. Following, are examples in which a bill may be discharged:

- Acceptance of an Offer in Compromise by the Tax Commissioner
- Amnesty eligible payments requiring removal of penalty and interest

Move Tax Account

AR provides an avenue for a tax account to be moved to a different customer profile if the tax account happens to be associated to the wrong customer profile. For example, a sales tax return is filed without proper documentation and needs a registration. Later it is determined that the sales tax account that was opened should have been associated to a business that is already registered. In this situation the entire account can be moved to the correct customer profile rather than moving individual entries. The customer profile receiving the tax account must already be registered for that tax type.

When moving tax accounts, the Field Agent should carefully research the customer profiles for the correct identification number. If the identification number is incorrect, the Field Agent should move the tax account to the correct customer profile. If the customer profile does not exist, the customer should be registered (See **Registration**). If the identification number is correct, but the tax account does not belong, the Field Agent must locate the correct customer profile and move the tax account to the correct profile.

When a tax account is moved, the associated primary and personal residence address and customer contact moves with it. In addition, customer relations, all financial information, history, notes and correspondence are moved. The tax account being moved may have a more current address and contact information than the account to which it is being moved. This would require that the latter be updated.

Move Tax Account Period

When the contents of an existing tax account period have been associated with an incorrect tax account, the tax account period is moved. Moving a tax account period is not the correct transaction for correcting a payment that has been posted to the wrong tax account. Correct remittance is used to move a payment to the correct customer's tax account period.

The Field Agent must determine if the return posted is associated with the correct taxpayer by researching both accounts in question. If the customer profile is correct, but the tax account period does not match, locate the correct taxpayer and move the period. For example, a sales tax return is filed based on a former sole proprietorship entity account number rather than the current corporation entity account number and is posted to the incorrect account. Moving the tax account period to the new tax account will resolve the error. As in moving a tax account, all of the related AR history, notes, and correspondence moves with the tax account period. AR also updates the Siebel image key number to the correct taxpayer and reevaluates the tax period's liability.

Remove and/or Reinstate a Tax Return

If a return is filed in error, such as a duplicate return processed as an additional return, the Field Agent should research the customer profile and tax account periods to verify that the return does not belong elsewhere. If a return is removed, AR reverses any tax, penalty, interest, and adjustments associated with the return. If a payment was posted with the return, it is the responsibility of the Field Agent to correct the remittance.

If a tax return is removed in error, the Field Agent may reinstate the return. If the reinstated return has outstanding liability, AR will reinstate the previous bill and notify CACSG of the liability. Field Agents should be aware that if the original return was converted over from the legacy STARS system and has been removed, the return cannot be reinstated. Caution should be used when performing this function to ensure that it is the correct action to take. Both AR and CACSG must be documented with the actions performed.

Registration

When doing business in Virginia, an individual, corporation, LLC, or partnership must determine if the business entity is subject to Virginia taxes. Most entities doing business in Virginia must complete the process of application for registration of an account with Virginia Tax. When registering, the customer must submit a Business Registration Application (Form R-1). The Business Registration Application can

be completed online via iReg, or an application form can be downloaded from Virginia Tax website. A form can be requested from Customer Services in writing or by phone. Additionally, taxpayers previously or currently registered for a Virginia tax account(s) are required to submit Form R-1 or provide the needed information to reopen a closed account, register a new business location for sales and use tax, or register additional tax accounts.

Occasionally, Field Agents may be required to provide assistance to taxpayers with completing Business Registration Applications. Completed applications should be forwarded to the Customer Services Registration Unit in Central Office for processing.

Write-Off

The placement of a bill in a suspension status, usually because the responsible party cannot be located and/or as a result of exhaustion of collection efforts, is referred to as an account write-off. Although not in active collection status, an assessment that has been written-off is still subject to debt set-off and match transactions. MOLs recorded on bills in write-off status are still valid and enforceable. Bills that have been written-off may be reinstated at any time, normally for application of monies received or because a lien source becomes available.

Field Agents should thoroughly review accounts and make documentation to substantiate the reason for the write-off of any bills in both AR and CACSG. Write-offs are subject to approval by a Supervisor if the amount exceeds $1,000.00. Write-offs are subject to certain criteria such as:

- Bill(s) to be written-off must be in Open status.
- A MOL should have been filed at least 90 days prior to write-off.
- Collection efforts have been exhausted and documented.
- Individual income tax bills cannot be written-off if an individual income tax return has been filed within three years of the intended write-off date. The same provision holds true for a nonfiler assessment.
- An ending liability date must be entered for all taxes of a business account prior to write-off.
- Accounts with recent bill statements cannot be written-off.
- If a business tax bill has been converted to responsible officers, the bill cannot be written-off.

Write-offs differ from discharges in that a discharge relieves a debtor from an obligation owed to Virginia Tax, but a write-off does not provide relief if monies later become available.

Exhibit 13a – Call-In Returns

Call-In Returns				
TP Name:			**Account #:**	
Tax Type	**Period**	**Gross Sales or Withholding**	**Exempt** (If Applicable)	**Tax Due**
Name of Person Reporting:				
Field Agent Name:			**Date:**	

Form must be sent to back scanning.

Exhibit 13b - Guidance for Waiver of Penalty and Interest

Guidance for Waiver of Penalty and Interest

This document is intended to aid employees in making consistent and equitable determinations regarding waiver of penalty and interest charges. This document provides guidance for whether a penalty or interest charge may be waived; it does not set out procedures for handling cases.

Section 58.1-105 of the Code of Virginia allows reduction or full waiver of a penalty when that action is justified, but does not specify the conditions that would justify waiver. The agency has historically allowed waiver of penalty in cases involving extenuating circumstances, such as death of the taxpayer or preparer, or a natural disaster, as well as in other circumstances that would reasonably prevent a taxpayer from filing a return and or paying the tax due by the required due date. This material contains descriptions and examples of circumstances that would or would not result in waiver of penalty. For purposes of considering waiver, 760C and 500C charges are treated as penalties. The examples provided are not all-inclusive.

As discussed in detail later in this document, extenuating circumstances do not typically apply to the waiver of interest charges when the interest is associated with an underpayment or late payment of tax. As a general rule, interest is waived only in cases where an assessment is potentially invalid or the liability has been assigned to the wrong person (doubtful liability), or where the balance due cannot be collected (doubtful collectability). In cases where a penalty is reduced or waived, interest associated with the penalty will also be reduced or waived.

All examples assume that the employee handling the request for waiver has confirmed that the assessment is correct, and that the determination falls within his or her signature threshold. As of June 30, 2017, the thresholds are:

Amount	Authorized Signature
Up to $2,000.00	Contact Center Representative; Collections Representative
$2,001 - $10,000	Management Analyst; Senior Management Analyst; Lead Management Analyst
$10,001 - $50,000	Manager, General Legal and Technical Services
$50,001 and above	Assistant Commissioner, General Legal and Technical Services

Penalty Waivers in General

The agency will generally allow waiver of penalty in the following situations:

- The death of the taxpayer, taxpayer's spouse or other close family member, or death of the taxpayer's preparer, provided the death occurred at a time that would reasonably prevent timely filing. (See Examples 1 and 2)
- Illness of a taxpayer, spouse or other close family member, or illness of the taxpayer's tax preparer, provided the illness was serious and occurred at a time that would reasonably prevent timely filing. (See Examples 3 and 4)
- Floods, storms, or other natural disasters that prevent timely filing and/or payment, provided that the Tax Commissioner has issued an extension for affected taxpayers, or the Internal Revenue Service has provided an extension for affected taxpayers. (See Examples 5, 6 and 7)

- Loss of records due to fire, theft or other disasters provided the taxpayer makes an effort to reconstruct records and file the affected returns within a reasonable period of time. (See Examples 8 and 9)
- The filing date for the corresponding federal return was extended for special circumstances, such as military service in a combat zone, provided the taxpayer meets **all** of the eligibility requirements for the extension.
- For 760C and 500C charges only, the taxpayer received information after the due date for the final estimated tax payment that showed unanticipated income received during the year. In general, the waiver will be allowed only if the taxpayer made timely payments at least equal to the preceding year's income tax liability.
- For pass-through entities only, a partnership experienced a technical termination for federal purposes, which required a short year return, provided the return is filed by the extended due date for the original taxable year. (See Example 10)
- For offers in compromise only, reduction or waiver of the penalty is granted to settle a doubtful collectability case.

The agency does not routinely allow a one-time or first-time waiver of penalty, except in the case of a pass-through entity that meets certain criteria discussed later in this document. Although a good filing history is a factor that is considered in making a penalty waiver determination, filing history is not a basis for waiver on its own.

Extension Penalty

The agency will generally allow waiver of an extension penalty in the following situations, provided the taxpayer has a good filing and payment history, and does not have a history of similar requests:

- K-1 information needed for an accurate estimate of the taxpayer's liability was not received until after the original due date, provided the taxpayer does not have a regular history of claiming late receipt of K-1 information. (See Examples 11 and 12)
- A corporation or pass-through entity made an election to claim bonus depreciation after the original due date, and the resulting fixed-date conformity addition created a significant Virginia income tax liability. (See Example 13)
- A corporation was part of a complex merger or restructuring and was unable to obtain income information in time to make an accurate estimate of its tax liability. (See discussion under Examples)
- A corporation operating within an affiliated group did not receive accurate information for determining its apportionment factors until after the original due date, resulting in underpayment of tentative tax. (See discussion under Examples)

Late Filing Penalty

In addition to the general circumstances outlined above, the agency will usually waive the late filing penalty in the following situations:

- The taxpayer voluntarily filed delinquent returns after discovering the liability, without being notified by Virginia Tax. This situation is more common for corporations and pass-through entities, but can occur with individual filers. The waiver would be allowed only in a case where the taxpayer had reason to believe that no return was required.
- The taxpayer discovered and corrected an error by filing tax-due amended returns for sales and use tax, employer withholding tax, or another non-income tax. This applies only in cases where

the taxpayer was not notified of a discrepancy by Virginia Tax, and where the error was corrected within a reasonable time – usually a year or less – after the original return was filed.
- The taxpayer can prove that an attempt was made to e-file by the due date, but the return was rejected, provided the return is either resubmitted or filed on paper within 10 days.

Late Payment Penalty

In addition to the general circumstances outlined above, the agency will usually waive the late payment penalty in the following situations:

- The taxpayer can prove that an attempt was made to e-pay by the due date, but the payment was rejected or there was a bank error, provided the payment is either resubmitted or paid by check within 10 days.
- The taxpayer was not aware that the tax due with an income tax return filed on extension must be paid on the date the return is filed, but the tax was paid by the extended due date and the taxpayer has not incurred similar penalties for previous years. This applies in cases where the return is filed before the extension expires.

One-Time Waiver for a Pass-Through Entity

To allow the agency to equitably address waiver requests for $1,200 penalty assessed for late filing, the following criteria have been established.

1. The request for waiver involves only one taxable year in the account; and
2. Either the period in question is the initial period of liability for the PTE, or this is the first instance of late filing of Form 502; and
3. There are no other penalty assessments or nonfilers outstanding in the PTE's other business tax accounts.

All criteria must be met for the assessment to qualify for waiver. The one-time waiver applies only to the late filing penalty of $1,200 assessed on a Form 502 that shows no withholding tax liability. For details on handling a one-time waiver case, see the procedure posted in TAXi.

Other Factors to Consider for Waiver of Penalty

- **IRS waiver**: If the IRS has waived the corresponding federal penalty, this can work in the taxpayer's favor. However, an IRS waiver does not guarantee a Virginia waiver, especially if the taxpayer has a poor filing history. Both the request to the IRS and the IRS approval should be considered before a determination is made.
- **Errors made by professional preparers**: The agency does not generally waive penalties caused by errors made by professional tax preparers, or resulting from negligence on the part of a tax professional. The taxpayer can take legal action against the preparer under these circumstances.
- **Embezzlement or other criminal activity of an employee:** A case of criminal activity by an employee requires detailed information. The taxpayer must be able to provide evidence of a criminal complaint, and the outcome of the case if charges were filed, or at least an official status of the case if prosecution has not taken place. It is not uncommon for the discovery of embezzlement to take up to 18 months; therefore, it is not unusual for an embezzlement case to involve multiple tax years or periods. However, if the delinquencies related to embezzlement extend for more than 18 months, we also have to consider whether the company had adequate accounting controls in place. In some cases, waivers may be granted for only some of the periods requested, or may not be granted at all.

- **Employee negligence or misconduct:** In cases of employee misconduct, multiple tax years or periods may be affected. These cases should be evaluated in the same manner as embezzlement and criminal cases.
- **Oversight:** The agency usually does not waive penalties in cases of simple oversight, such as a taxpayer forgetting to mail a return.

Interest Waivers

As a general rule, Virginia Tax does not waive interest charges that are associated with a tax liability because Section 58.1-105 of the Code of Virginia allows waiver of tax only in cases where an assessment is potentially invalid or liability is assigned to the wrong party (doubtful liability), or where the balance due cannot be collected (doubtful collectability). The agency may waive interest under the following circumstances:

- The taxpayer can demonstrate that he or she never received an assessment prior to collection action, or was not aware of the assessment for an extended period after it was issued.
- In these cases, we may waive interest accrued during the period that the taxpayer was not aware of the liability.

Virginia Tax has agreed to waive penalties on bills that are over 30 days old. Although the initial bill in a case like this would have shown only interest on the underlying tax, any interest accrued after 30 days would be partially accrued on the outstanding penalty. Therefore, the portion of interest accrued on the penalty would be waived as part of the penalty waiver.

Examples

General

Death of the taxpayer, taxpayer's spouse or other close family member, or death of the taxpayer's preparer, provided the death occurred at a time that would reasonably prevent timely filing.

Example 1. A joint income tax return for 2014 was filed on January 19, 2016, reflecting tax due of $4,500, which was paid. An assessment was issued for late filing penalty of $1,350 (30%), plus interest on the tax due. The husband responded to the assessment with a request for waiver of penalty. He explained that his wife, who had handled the couple's tax matters, passed away unexpectedly on October 5, 2015. Along with the responsibilities for handling her estate, the taxpayer had to locate the tax records and get the help of an accountant. The taxpayers have an excellent filing and payment history.

> *The taxpayer's spouse died just before the federal and Virginia extended due dates for filing the 2014 return. It would not be reasonable to assume that the surviving spouse could locate records and engage an accountant in time to file the Virginia return by November 1. It appears that the taxpayer acted as promptly as possible to file the return. The penalty should be waived.*

Example 2. A joint income tax return for 2012 was filed on January 19, 2016, reflecting tax due of $4,500, which was paid. An assessment was issued for late filing penalty of $1,350 (30%), plus interest on the tax due. The husband responded to the assessment with a request for waiver of penalty. He explained that his wife, who had handled the couple's tax matters, passed away unexpectedly on October 5, 2014. Along with the responsibilities for handling her estate, the taxpayer had to locate the

tax records and get the help of an accountant. The taxpayers have an excellent filing and payment history.

> *The taxpayer's spouse died almost a year after the extended due date for the 2012 return, and the taxpayer delayed another 15 months before filing the return. The information presented does not indicate any extenuating circumstances prior to the death of the spouse, or offer any explanation for the additional delay in filing. Unless the taxpayer can provide an acceptable explanation for the original failure to file the return and the extended delay in filing after his wife passed away, the request for waiver should be denied.*

Illness of a taxpayer, spouse or other close family member, provided the illness was serious and occurred at a time that would reasonably prevent timely filing.

Example 3. A joint income tax return for 2014 was filed on January 19, 2016, reflecting tax due of $4,500, which was paid. An assessment was issued for late filing penalty of $1,350 (30%), plus interest on the tax due. The husband responded to the assessment with a request for waiver of penalty. He explained that his wife, who had handled the couple's tax matters, passed away on October 5, 2015, after a lengthy illness that began with a cancer diagnosis in January 2013. When he began gathering records for preparation of the 2015 return, he discovered that the 2014 return had not been filed. His request for waiver includes documentation of his wife's medical treatments and death. The taxpayers have an excellent filing and payment history.

> *The taxpayer's wife was unable to handle the couple's tax matters because of her illness. Because he was not accustomed to handling tax matters, it is unlikely that the taxpayer would have thought to check on tax filings for 2014. It appears that he filed as promptly as possible to file the return after discovering the delinquency. The penalty should be waived.*

Example 4. A joint income tax return for 2012 was filed on January 19, 2016, reflecting tax due of $4,500, which was paid. An assessment was issued for late filing penalty of $1,350 (30%), plus interest on the tax due. The husband responded to the assessment with a request for waiver of penalty. He explained that he and his wife suffered from serious medical conditions that required surgeries, one in 2012 and one in 2013. Although documentation was provided to support his claim, no explanation was provided for the extended delay in filing the return. The taxpayers have an excellent filing and payment history.

> *From the information presented, it is likely that the taxpayers could not file their 2012 return by the extended due date of November 1, 2013. However, they have not documented any illnesses or other extenuating circumstances extending beyond 2013 that would explain the extended delay in filing. Unless they can provide an acceptable explanation for not filing the return prior to 2016, the request for waiver should be denied.*

Floods, storms, or other natural disasters that prevent timely filing and/or payment, provided that the Tax Commissioner has issued an extension for affected taxpayers, or the Internal Revenue Service has provided an extension for affected taxpayers.

Example 5. The taxpayer, who is a resident of South Carolina, filed a 2014 nonresident income tax return on February 16, 2016. The return reflected total tax liability of $63,000 and tax due of $5,000,

which was paid. An assessment was issued for late filing penalty of $1,500 (30%), plus interest on the tax due. The taxpayer requests waiver of the penalty, explaining that the IRS extended the 2014 due date to February 16, 2016 because of flooding throughout the state in October 2015.

> *Although the taxpayer did not provide supporting documentation, the IRS extension can be verified online. The penalty should be waived.*

Example 6. The taxpayer, who is a resident of South Carolina, filed a 2014 nonresident income tax return on March 10, 2016. The return reflected total tax liability of $63,000 and tax due of $5,000, which was paid. An assessment was issued for late filing penalty of $1,500 (30%), plus interest on the tax due. The taxpayer requests waiver of the penalty, explaining that the IRS extended the 2014 due date to February 16, 2016 because of flooding throughout the state in October 2015.

> *Although the taxpayer did not provide supporting documentation, the IRS extension can be verified online. Since Virginia law sets the extended due date for filing an individual income tax return at 30 days after the expiration of a federal extension, the return was timely filed. The penalty should be waived.*

Example 7. The taxpayer, who is a resident of South Carolina, filed a 2014 nonresident income tax return on June 10, 2016. The return reflected total tax liability of $63,000 and tax due of $5,000, which was paid. An assessment was issued for late filing penalty of $1,500 (30%), plus interest on the tax due. The taxpayer requests waiver of the penalty, explaining that the IRS extended the 2014 due date because of flooding throughout the state in October 2015.

> *Although the taxpayer did not provide supporting documentation, the IRS extension can be verified online. The IRS extended the due date to February 16, 2016. Virginia law sets the extended due date for filing an individual income tax return at 30 days after the expiration of a federal extension. The Virginia return was filed more than 30 days after February 16, 2016. Unless the taxpayer can provide an acceptable explanation for the additional delay in filing, the request for waiver should be denied.*

Loss of records due to fire, theft or other disasters provided the taxpayer makes an effort to reconstruct records and file the affected returns within a reasonable period of time.

Example 8. A corporation filed its calendar year 2014 Form 500 on May 12, 2016, nearly seven months after the extended due date of October 15, 2015. The return shows total tax liability of $23,000 and net tax due of $4,200, which was paid. An assessment was issued for late filing penalty of $1,260 (30%), plus interest on the tax due. The company requested waiver of penalty, stating that a fire on its premises in February 2015 destroyed paper records and damaged computers and backup files. The company was able to reconstruct its records with help from an outside firm but, due to the extensive damage to the computer records, the process took nearly a year. Once the records were recreated, another few weeks were needed to have returns prepared. The request includes detailed documentation about the fire, as well as a statement from the firm that assisted in reconstructing the records. The statement includes a timeline of the reconstructions, showing that the taxpayer contracted with the firm in April 2015, and the work was completed in March 2016. The corporation has a good filing and payment history.

The fire and associated damage are well documented, and the taxpayer has provided proof that records were not available until March 2016. It is reasonable that the return preparation took a few weeks. The penalty should be waived.

Example 9. A corporation filed its calendar year 2014 Form 500 on October 25, 2016, more than a year after the extended due date of October 15, 2015. The return shows total tax liability of $23,000 and net tax due of $4,200, which was paid. An assessment was issued for late filing penalty of $1,260 (30%), plus interest on the tax due. The company requested waiver of penalty, stating that a fire on its premises in February 2015 destroyed paper records and damaged computers and backup files. The company was able to reconstruct its records with help from an outside firm but, due to the extensive damage to the computer records, the process took nearly a year. Once the records were recreated, another few weeks were needed to have returns prepared. The request includes detailed documentation about the fire, as well as a statement from the firm that assisted in reconstructing the records. The statement includes a timeline of the reconstructions, showing that the taxpayer contracted with the firm in April 2015, and the work was completed in March 2016. The corporation has a good filing and payment history.

The fire and associated damage are well documented, and the taxpayer has provided proof that records were not available until March 2016. Although it could be reasonably expected that final return preparation might take a few weeks after the records were completed, the taxpayer filed six months after the outside firm completed its work. No explanation has been provided for the delay. Unless the corporation can provide an acceptable explanation for the additional delay in filing, the request for waiver should be denied.

***For pass-through entities only*, a partnership experienced a technical termination for federal purposes, which required a short year return, provided the return is filed by the extended due date for the original taxable year.**

Example 10. A partnership formed in 2010 filed timely calendar year returns for 2010, 2011, 2012, and 2013. Due to a sales of assets, the partnership experienced technical termination under federal law on August 10, 2014. The termination required that a short-year return for January 1, 2014 through August 10, 2014 be filed by December 15, 2014. The corresponding Virginia return was due on January 15, 2015. The partnership mistakenly filed both of its short-year returns, for the years ended August 10, 2014 and December 31, 2014, on October 15, 2015, which was the extended due date for December return only. The entity has a good filing and payment history.

This is a common filing error seen at both the federal and Virginia levels. Because the partnership filed both returns on a date consistent with the due date for its usual calendar year filing, the penalty should be waived.

Extension Penalty

K-1 information needed for an accurate estimate of the taxpayer's liability was not received until after the original due date, provided the taxpayer does not have a regular history of claiming late receipt of K-1 information.

Example 11. Taxpayers filed a joint individual income tax return for 2015 on October 17, 2016, with payment for the full tax liability of $23,000. An assessment is issued for an extension penalty of $2,760 (12%), plus interest on the tax due. The taxpayers request waiver of the penalty, stating that their

primary source of income is from a pass-through entity that did not furnish a Schedule K-1 until late September 2016. The taxpayers have an excellent filing and payment history.

> *The taxpayers have an excellent history of compliance and paid the balance of tax due with their return at the time of filing. A review of the return supports their claim that their primary source of income was from an S corporation. A review of the corporation's return is inconclusive, but there is no evidence to contradict the taxpayers' claim of late receipt of Schedule K-1. The penalty should be waived.*

Example 12. Taxpayers filed a joint individual income tax return for 2015 on October 17, 2016, with payment for the full tax liability of $23,000. An assessment is issued for an extension penalty of $2,760 (12%), plus interest on the tax due. The taxpayers request waiver of the penalty, stating that their primary source of income is from a pass-through entity that did not furnish a Schedule K-1 until late September 2016. The taxpayers' account shows two previous waivers of extension penalties for 2010 and 2012 for similar circumstances involving the same pass-through entity.

> *A review of the return supports their claim that their primary source of income was from an S corporation. A review of the corporation's return is inconclusive, but there is no evidence to contradict the taxpayers' claim of late receipt of Schedule K-1. However, the taxpayers have encountered this situation before, and they should have made estimated payments to offset any potential tax liability. The request for waiver should be denied.*

A corporation or pass-through entity made an election to claim bonus depreciation after the original due date, and the resulting fixed-date conformity addition created a significant Virginia income tax liability.

Example 13. A corporation filed its 2015 calendar year return on September 15, 2016, with payment for the full tax liability of $18,000. An assessment was issued for extension penalty of $1,800 (10%), plus interest on the tax due. The corporation requests waiver of the penalty, stating that the tax liability was created by a fixed-date conformity addback for bonus depreciation. Since the bonus depreciation election was not made until after the original due date, April 15, 2016, the corporation could not have anticipated the tax liability. The corporation has a good filing and payment history.

> *A review of the 2015 Form 500 shows that the corporation reported a net operating loss of $35,000, and a bonus depreciation addback of $350,000. After allocation and apportionment, its Virginia taxable income was $300,000, all of which was created by the addback. It is not uncommon for the bonus depreciation election to be made well after the end of a taxable year, so the corporation's claim is reasonable. The penalty should be waived.*

A corporation was part of a complex merger or restructuring and was unable to obtain income information in time to make an accurate estimate of its tax liability.

A corporation operating within an affiliated group did not receive accurate information for determining its apportionment factors until after the original due date, resulting in underpayment of tentative tax.

It is difficult to present examples of these circumstances because the situations are complex and varied. In general, we look for circumstances that seem reasonable. The question we need to consider as we

review the case is whether the company had adequate controls in place to ensure tax compliance. Companies that encounter the circumstances outlined above usually have internal accounting staffs and external accounting support, so they must experience extreme circumstances to receive a waiver of penalty.

Guidance for Waiver of Penalty and Interest June 2017

A current version of this document can be found in the TAXi Toolbox Internal Policy Library.

Chapter 14

Customer Service and Taxpayer Rights

Customer service is provided in various ways and degrees within each section of Virginia Tax. Ensuring customer satisfaction and putting the customer first in everything we do is a high priority. This is achieved by providing the following:

- Improved quality service
- Reduced burden of compliance
- Improved customer education
- Improved support to external stakeholders

Providing Service to Customers

Employees of Virginia Tax are expected to provide quality customer service, regardless of their role within Virginia Tax. All customer contacts should be handled in a professional and courteous manner.

Field Agents often receive phone calls or other types of contact from customers, local officials, bookkeepers, and other business professionals that require customer service assistance. Field Agents should refer inquiries requiring customer service assistance to the appropriate customer service section by providing Virginia Tax's website, email address, or the proper customer service phone number and/or mailing address. Field Agents should make referrals based on the type of customer inquiry to ensure the customer makes contact with the appropriate agent or section for assistance. Field Agents may handle inquiries or requests requiring minimal assistance. Field Agents may also perform certain accounting transactions normally performed by Customer Service staff to resolve assigned accounts. The following are examples of Customer Service assistance that may be handled by Field Agents:

- Responding to customer calls requesting some type of form, return coupon, etc., with the exception of bulk mailings.
- Answering questions regarding the business registration application.
- Answering general questions regarding completing returns and return filing requirements.
- Providing local officials and tax practitioners with the Practitioner/Locality Hotline phone number.
- Providing customers with Virginia Tax's web page address and/or phone numbers, fax numbers, and Customer Services address.
- Issuing transfers, assessments, abatements, adjustments, discharges, and write-offs for resolution of assigned accounts.

Virginia Tax has advanced technologically in recent years to better assure quality customer service by providing email and website availability to customers. Customers may obtain a variety of services by accessing the Virginia Tax website.

Customer Services Agents are located at the Westmoreland address in Richmond. These employees provide various types of assistance to customers, local officials, attorneys, practitioners and others including:

- Walk-in assistance during income tax filing season only

- Phone assistance
- Issuing letters in response to customers' written inquiries
- Review, research, examine, analyze and compare information obtained and provided by customers to determine or verify tax liability in consonance with applicable tax laws, rules, regulations, and guidelines
- Issuing and explaining abatements, assessments, refunds, setoffs, transfers, discharges, etc.
- Providing assistance with completing various types of tax returns not including income tax returns
- Processing payments and tax returns
- Processing business registration applications to create account numbers.
- Defending the validity of assessments in order to affect compliance
- Responding to customer emails

Taxpayer Bill of Rights

The taxpayer Bill of Rights was enacted to ensure protection of taxpayer rights in the tax determination and collection processes administered by Virginia Tax. The publication provides an overview of a taxpayer's rights per law and covers topics such as:

- Confidentiality Rights
- Taxpayer Rights and Audits
- Taxpayer Rights and Collections
- Taxpayer Rights Advocate
- Taxpayer Rights in the Appeal Process

Virginia Tax employees should become familiar with the taxpayer Bill of Rights to ensure they are not in violation of the rights afforded taxpayers. Field Agents should especially take precaution to adhere to the guidelines noted in the section, Taxpayer Rights and Collections. The publication may be viewed in its entirety by accessing Virginia Tax's website, and selecting taxpayer Bill of Rights at the bottom of the screen.

Chapter 15

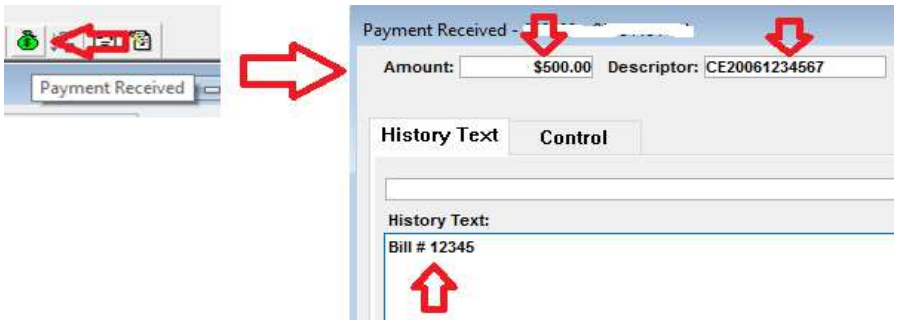
Payments

Payments by check, money order, cashier's check, or certified funds are only accepted when at least two Field Agents or a Field Agent and a Supervisor are present. The taxpayer must be given a receipt for payment signed by the two Field Agents or the Field Agent and the Supervisor. It is very important that the Field Agent take extraordinary care to ensure payments are kept in a secure place until submitted to the Central Office for deposit. All payments should be submitted to the Central Office for processing no later than the next business day.

Field Agents are assigned a tablet which allows them to immediately process bill payments electronically. Checking, savings, credit, and debit cards can be accepted and processed immediately with the taxpayer's permission. This is the only other method of bill payment that will be accepted.

If the Field Agent receives a "VOIDED" check from the taxpayer to obtain bank and routing numbers, the check must be sent to backscanning.

Payments must be recorded in CACSG using the "Payment Received" icon. The amount of payment, bill number paid and confirmation number should be entered as follows:



Establishing Payment Plans

The Field Agent should follow the guidelines below when setting up a payment plan:

Individual Income Tax – Require 10% down payment

Balance Due	Maximum PPA Length
0-$999	12 months
$1,000-$4,999	24 months
$5,000-$9,999	36 months
$10,000 and above	48 months

Business Taxes – Require 20% down payment

Non-Habitual (NH)	
Balance Due	**Maximum PPA Length**
0-$4,999	12 months
$5,000-$14,999	24 months
$15,000-$34,999	36 months
$35,000 and above	48 months

Habitual (H)	
Balance Due	**Maximum PPA Length**
0-$2499	6 months
$2,500- $9,999	12 months
$10,000- $17,999	18 months
$18,000k and above	24 months

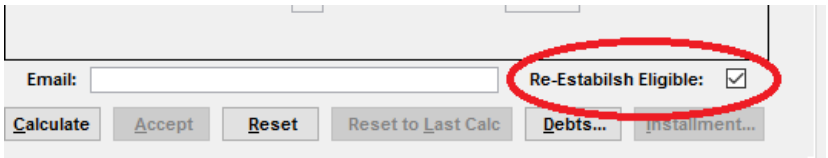
Non-Habitual (NH) is defined by, see Exhibit 15a:

- First partial payment arrangement (PPA) and/or no prior defaults due to non-payment,
- Taxpayer is compliant (returns current for last three years),
- Taxpayer submitted OIC and was denied,
- Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisor's worklist.

Habitual (H) is defined by, see Exhibit 15b:

- Prior payment arrangements defaulted due to non-payment,
- Defaults due to the creation of sales or withholding nonfilers or failure to pay current taxes,
- Resets are permitted over three times for defaults due to (new nonfiler for litter, corporate tax or VA6)
- Taxpayers who have defaulted more than three times due to non-payment are no longer eligible to establish payment plans,
- Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisor's worklist.

Field Agent must uncheck the Re-establish eligible box when creating a new payment plan to limit accessibility for the habitual offenders from creating multiple plans online or tele-plan.



Handling Cash Payments

The Field Agent **never** accepts cash as a payment. The only exceptions to this rule is during a Padlock Hearing or at a padlocked business and **two** Field Agents or a Senior Field Agent and a Supervisor are present. An Officer of the Court or a Law Enforcement Officer may act as an alternative as the second witness.

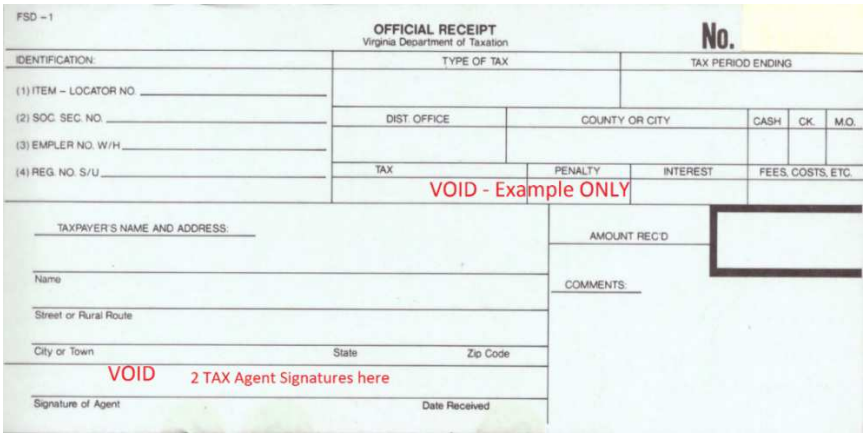
Receipt Book Procedure

Senior Field Agents and Supervisors are assigned a receipt book. Prior to the receipt book being assigned the Supervisor records the receipt numbers. Once assigned, the inclusive receipt book numbers (Ex. 25001-25025) are reported to the CSU Supervisor.

Care must be taken to ensure the book is not lost or stolen. Receipt books should never be left unattended at a taxpayer's business. If a receipt book is lost or stolen, the Senior Field Agent must report the incident to their Supervisor immediately. If a receipt book is lost, the Supervisor will immediately notify the CSU Supervisor in writing. The lost receipt book should be identified by its receipt numbers. Additional information provided should include the number of receipts remaining in the lost receipt book and all facts related to the loss.

Receipts are written for all non-iPad payments received from a taxpayer. This must be done in the presence of two Field Agents or a Field Agent and a Supervisor. Copies of receipts are distributed as follows:

- Original (white) copy goes to taxpayer.
- Second (green) copy is attached to the Field Agent's Daily Transmittal.
- Third (yellow) copy remains in the receipt book.


FSD – 1

OFFICIAL RECEIPT
Virginia Department of Taxation

No.

IDENTIFICATION:
(1) ITEM – LOCATOR NO.
(2) SOC. SEC. NO.
(3) EMPLER NO. W/H
(4) REG. NO. S/U

TYPE OF TAX | TAX PERIOD ENDING | DIST. OFFICE | COUNTY OR CITY | CASH | CK. | M.O. | TAX | PENALTY | INTEREST | FEES, COSTS, ETC.

VOID - Example ONLY

TAXPAYER'S NAME AND ADDRESS:
Name
Street or Rural Route
City or Town | State | Zip Code

AMOUNT REC'D
COMMENTS:

VOID 2 TAX Agent Signatures here

Signature of Agent | Date Received

If a receipt must be voided, the following procedures will be followed:

- "VOID" is written on all copies
- White and green copies go to the Supervisor with written documentation explaining the reason for voiding the receipt
- The Supervisor initials all documents and forwards them to the Compliance Support Section
- The yellow copy remains in the receipt book
- When it is necessary to make a correction to any item on a receipt, the receipt preparer must initial the correction while all copies are intact in the receipt book. A written explanation will accompany the green copy of the receipt when forwarded to the Central Office.

Handling Checks and Money Orders

Payments can only be accepted during a Padlock Hearing or when there are two Virginia Tax employees present. Checks, money orders, cashier's checks, or certified funds are the only forms of payment accepted. All payments received must be kept in a secure location until time to submit the payment to Central Office for processing. All payments must be made payable to Virginia Tax. Postdated checks are

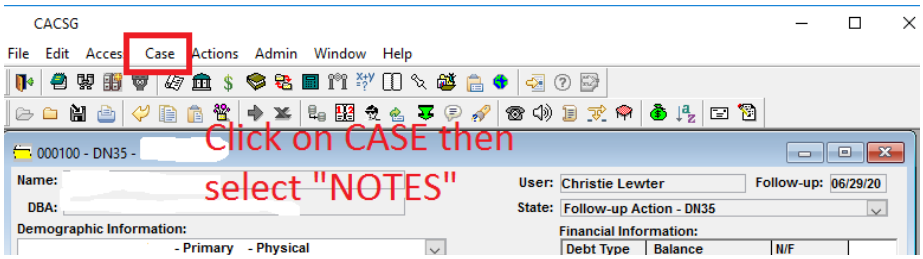
never accepted. If the taxpayer has a history of issuing bad checks, the Field Agent may request that all payments be made by certified funds.

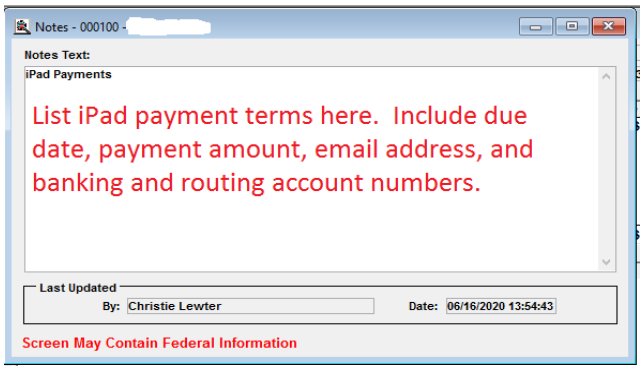
iPad Payments with Banking Information

The Field Agent can process payments using their assigned tablet (iPad) while in person or on a regular payment agreement. For payments being withdrawn from the taxpayer's bank account the Field Agent must obtain the taxpayer's bank and routing number, amount of payment, terms of the payment agreement, and email address if a receipt is requested.

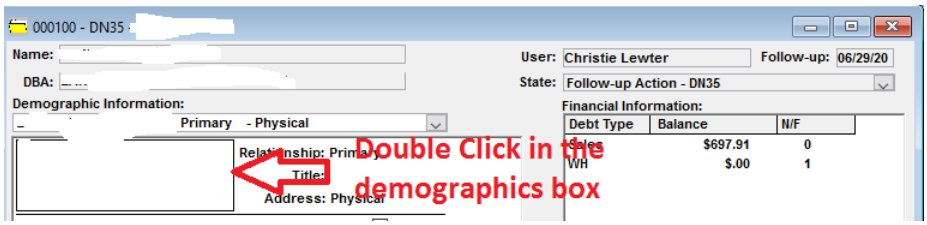
The Field Agent should keep two tickler systems with their iPad information in case the CACSG system is not available, Exhibit 15c and 15d. This information can be kept in a "daily" folder or 3-ring binder. ***The Field Agent must keep all banking information locked in a secure location***.

If the payment is recurring, the Client ID of the taxpayer should be entered in the Field Agent's calendar to indicate a payment must be processed. This calendar entry allows another Field Agent or Supervisor to process any iPad payments that come due when the Field Agent is out for a day or an extended period of time. The Field Agent must make sure another Field Agent and/or Supervisor has access to their Gmail calendar. The Field Agent should enter the taxpayer's banking information, amount of payment, terms of the payment agreement, and email address (if a receipt is requested) in the Notes section in CACSG found under Case. See instructions below on how to locate the Notes section and the Client ID number in CACSG.

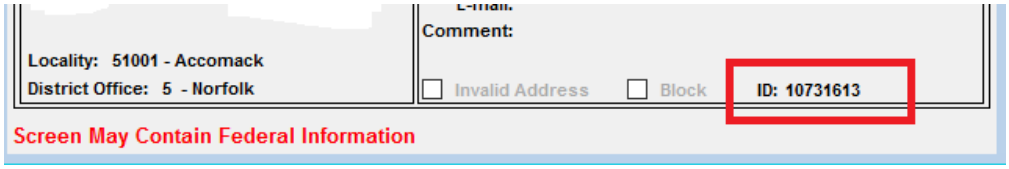




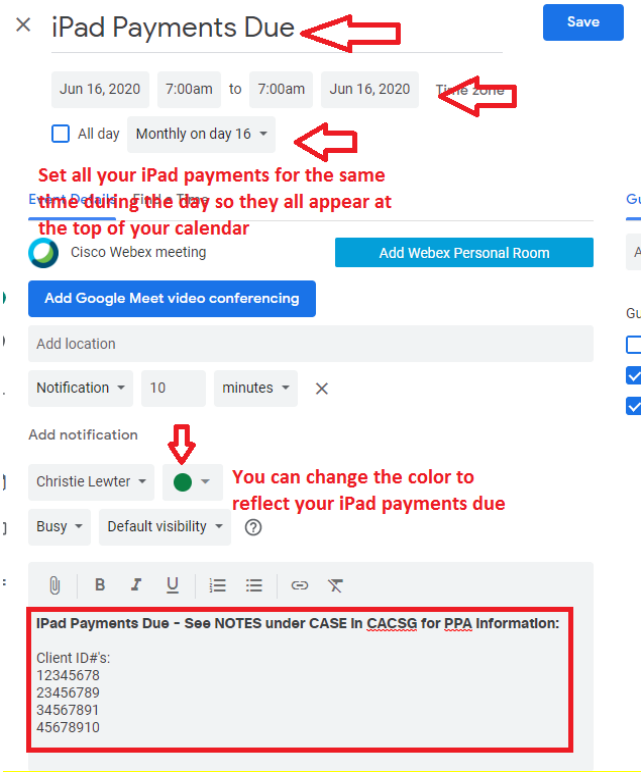
The Field Agent should list the Client ID number on their Gmail Calendar on the due date of iPad payment. You can obtain the Client ID number as follows:



Client ID number is located in bottom right hand corner.



List the following information on your Gmail calendar in case you are on Leave and another Field Agent or Supervisor needs to process your iPad payments:



iPad Payments with Credit Card

Field Agents can process credit or debit card payments for tax bills on their tablet. The Field Agent must obtain the taxpayers credit or debit card number, expiration date, name listed on card, three digit CVV code on back of card, phone number and email address. Fees are noted below and should be explained to the taxpayer. The Field Agent must **not** store credit or debit card information. The taxpayer must call each month to provide the required information for payment processing.

If a request for payment by credit card is received, and the agent encounters issues that prevent them from processing the payment, the following information should be provided to the taxpayer:

- Credit Card payments are handled by Paymentus, phone number 1-833-339-1307 or online at www.paymentus.com.
- Paymentus accepts all major credit cards and charges a convenience fee that is added to each transaction.
- Payments through Paymentus can be for:
  - Business tax
  - Assessment notice or consolidated bill(s)
  - Personal income tax
  - Estimated payments
- Payments usually post to Virginia Tax account within 48-72 hours.
- Tax bills may be paid online via QuickPay, a free service to pay and view outstanding tax bills.
- Virginia Tax's Cashier's Office will accept credit and debit card payments from walk-in customers only in Richmond. Discover, MasterCard and Visa are accepted. Convenience fees apply and are disclosed prior to submitting the transaction.

When a taxpayer indicates they are going to make payment by credit or debit card, the Field Agent should follow-up by checking the account within 48-72 hours to see if the payment has posted. System problems can cause delays in the posting of credit or debit card payments; therefore, the account may have to be checked several times.

Incorrect iPad Payments

If the Field Agent submits a payment for an incorrect amount while using the iPad, an email must be sent immediately to TAX-MobileAppSupport or call 804-404-4183. Provide the amount of the payment, the taxpayer's account number, and the confirmation number of the payment. Make sure you follow up with mobile support if you do not hear back. See Chapter 19 for more information.

Bank Deposits

Checks and money orders requiring financial institution deposit are submitted on a Transmittal Report to the Central Office for processing. Payments of any type (**never cash**), other than those processed using the iPad, should only be received when there are two Field Agents and/or a Supervisor present and both must sign the written receipt that is given to the taxpayer.

Field Agent's Transmittal Report

A Transmittal Report must be submitted to Processing at the Central Office when revenue has been collected from a taxpayer. A copy of the report must be emailed to the Supervisor and the other Field Agent who signed the receipt. The report must include required information to enable correct processing of payments. Transmittals should be held for at least two years, Exhibit 15d.

All reports must contain the following information:

- Transmittal Report Date
- Account Number (15 digit number if a return is submitted)
- Legal Name

- Tax Type (such as sales or employer withholding)
- Bill Number
- Payment Amount
- Comment (if appropriate)
- Field Agent Name
- District
- Total amount of payments
- # of items (number of checks submitted on the report)

Exhibit 15a – Quick Reference for Establishing Payment Plans and Issuing MOL's – Non-Habitual Taxpayers

DCU Collections Quick Reference for Establishing Payment Plans and Issuing MOLs

The purpose of this document is to provide guidance for DCU staff when setting payment a plan (PPA) and issuing a Memorandum of Lien (MOL) for taxpayers.

Non-Habitual (NH) Taxpayers	Research & Review	Resolution
• First partial payment agreement (PPA) and/or no prior defaults due to non-payment • Taxpayer is compliant (returns current for last three years) • Taxpayer submitted OIC and was denied	• Review of AR (ensure all current taxes are filed and paid prior to keying PPA) • If OIC was denied, review AR bill stop(s) for the reason Other/Needs to Pay or Set up PPA • Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL) • Supervisor Approval required beyond 24 months, review will happen upon entry on the supervisors' worklist	• Process down payment detailed below, future dated through quick pay OR • Two-part pay prior to establishing new or resetting an agreement • If OIC was denied, release the AR bill stops with reason Other/Needs to Pay or Set up PPA • If PPA requires approval, send review request to your TL via email • If bill is eligible, issue MOL intent letter • Send bank lien adjustment, if applicable.

Balance Due	Maximum PPA Length	Minimum Down Payment (Use negotiation skills)	Claims Hardship (non-COVID)	COVID Hardship/Catastophic Event due to Natural Disaster	Supervisor Approval	Issue MOL Intent Letter
0-$4,999	12 months	• 10% of total due (individual income tax) • 20% total due (business taxes) **OR** • 10% of new bill due (individual income tax) • 20% of new bill due (business taxes) **OR** • Negotiate bank lien to 20% for down payment	• 3 month plan with balloon. Financial statement required. • Two-part agreement with first three months at an affordable amount, minimum $25 for individuals. $100 for business. • Taxpayer must be compliant	• 3 month plan with balloon. Financial statement NOT required. OR • Reset PPA up to 40 days out to delay payment. This may be approved at the employee level up to 3 times. • Taxpayer is not required to be compliant	No	• Issue if bill(s) total over $3,000 • Advise the taxpayer: ○ An MOL intent letter will be mailed in addition to the PPA agreement ○ The intent letter can be disregarded as long as the PPA does not default due to non-payment
$5,000-$14,999	24 months				No	
$15,000-$34,999	36 months				Yes	
$35,000 and above	48 months				Yes	

Exhibit 15b – Quick Reference for Establishing Payment Plans and Issuing MOLS – Habitual Taxpayers

Habitual (H) Taxpayers	Research & Review	Resolution
• Prior PPA defaulted due to non-payment • Defaults due to the creation of sales or withholding non-filers or failure to pay current taxes • Resets are permitted over three times for defaults due to (new non-filer for litter, corporate tax or VA 6) • Taxpayers who have defaulted more than three times due to non-payment are no longer eligible to establish payment plans	• Review of AR (ensure all current taxes are filed and paid prior to keying PPA) • Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL) • Supervisor Approval may be required due to amount of PPA.	• Uncheck the ***Re-establish Eligible*** box in CACSG when creating the new plan to limit access to web and tele-plan options. • Process down payment detailed below, future dated through quick pay OR • Two-part pay prior to establishing new or resetting an agreement. OR • If PPA requires approval, send review request to your TL via email • If the bill(s) is eligible, issue MOL • Send bank lien adjustment, if applicable • If taxpayer is no longer eligible for a PPA, provide payment options and educate on collection process including liens

Balance Due	Maximum PPA Length	Minimum Down Payment (Use Negotiation Skills)	Hardship Options (non-COVID)	COVID Hardship/ Catastophic Event due to Natural Disaster	Supervisor Approval	Issue MOL
0-$2,499	6 months	• 10% of total due (individual income tax) • 20% total due (business taxes) OR • 10% of new bill due (individual income tax) • 20% of new bill due (business taxes) **OR** • Negotiate bank lien to 20% for down payment	• 3 month plan with balloon. Financial statement required. Minimum $25 • Two-part agreement with first three months at an affordable amount, minimum $25 for individuals, $100 for business. • Taxpayer must be compliant	• Taxpayer is not required to be compliant • 3 month plan with balloon. Financial statement NOT required. Minimum $25 OR • Reset PPA up to 40 days out to delay payment. Approved at the employee level up to 3 times	No	• Issue MOL for all eligible habitual taxpayer bills that total more than $3,000. • Ensure bill is within 6 year statute • Ensure bill has not been incuded in MOL previously issued
$2,500-$9,999	12 months				No	
$10,000-$17,999	18 months				No	
$18,000 and above	24 months				Based on amount	

Exhibit 15c – iPad Payment Form (front)

CACSG #

iPad Payment

TERMS: Daily Bi-Weekly Weekly Bi-Monthly Monthly Call-In Other:

Taxpayer Name:			
Account Number:			
Bank Name:			
Account #:			
Routing #:			
Payment Amount:	$	Due Date:	
Email Confirmation:	Yes No	Phone #:	
Email Address:			

Comments:

Payments Posted as follows:

Date	Bill#	Confirmation #	Amount	Comments

Exhibit 15c – iPad Payment Form (back)

ACCOUNT #	CACSG #

TERMS: Daily Bi-Weekly Weekly Bi-Monthly Monthly Call-In Other:

Account #:		
Routing #:		
Payment Amount:	$	Due Date:

Date	Bill#	Confirmation #	Amount	Comments

Exhibit 15d – Transmittal

Daily Transmittal Sheet

Date:

Account Number (15 digits)	Account Name	Tax Type	Tax Period	Bill No.	Amount	Comments
				Total of Checks	$ -	
				Number of Checks		

Name:

District:

Chapter 16

Calendars and Miscellaneous Policies

The Department of Human Resources Management (DHRM) and Virginia Tax have established a number of policies and procedures for the management of personnel and the use of State owned equipment. These policies and procedures affect the daily work of Field Agents. Many of these policies, including the *Employee Handbook*, are available for review on DHRM's website or on Virginia Tax website.

Field Agents are required to perform certain administrative functions such as keeping a detailed daily calendar, field visit and mileage records. Individual Supervisors may require specific monthly reports for their employees.

Backscanning

Below are the approved methods Field Agents can use to send documents to be backscanned. Backscanning will associate the document to the taxpayer's account and help maintain an account history. Documents can be sent to Processing via fax or mail to be prepared for backscanning.

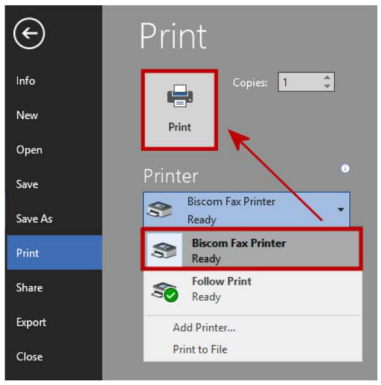
Special Notes:

- This procedure does not apply to RAP or FTI (Federal Tax Information) documents sent for backscan.
- **When the same document exists in Siebel, it is not necessary to send it to be backscanned.**
- For FAXCOM resources, go to FAXCOM Support page in TAXi at http://taxi/facsys/default.aspx.
- Biscom FAXCOM is configured to view faxes as email attachments in Gmail. Faxes sent are not saved in FAXCOM.

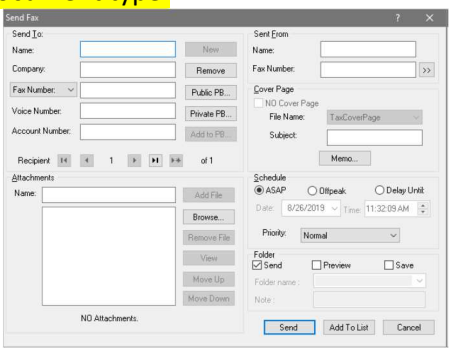
Responsibility:

- Field/Interstate Audit
- District Collections

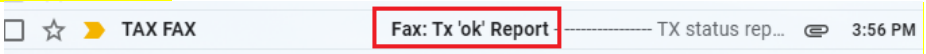
1. If a taxpayer sends a fax directly to your fax number, forward it to the backscan number 1-804-344-8564.
   A. Open the attachment in fax email.
   B. Select the print icon.
   C. Select the print icon again.
   D. Under destination select "Biscom Fax Printer".
   E. Select print and the "Send Fax" window opens.
   F. Complete the fax fields as follows.
      1. **Send To** Section: Enter the backscan fax number, 1-804-344-8564, in the Fax Number field.
      2. **Sent From** Section: FAXCOM automatically populates these fields with the sender's information.
      3. **Cover Page** Section: The default cover page (TaxCoverPage) is automatically selected.



4. **Subject** Field: Enter "Backscan for [SSN/FEIN]" as the subject.
5. **Memo** Field: Enter your name, phone number, and the document type.
   NOTE: Document types include Individual or Business Return, Correspondence, or Other.
6. **Attachments** Section: The file is already attached. Click browse to attach multiple attachments.
7. **Schedule** Section: **ASAP** and **Normal** are the default options.
8. **Folder** Section: **Send** is the default option. Do not change this setting.

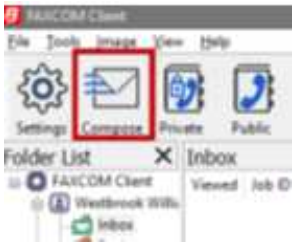


G. Click Send.
   NOTE: A successful fax transmission message will appear in your Gmail Inbox.



H. Add a note to the taxpayer's account that the documents were sent to backscan.
I. Repeat for each taxpayer's documents.

2. If a taxpayer provides paper documents and you use the fax method, prepare them for faxing to the backscan number 1-804-344-8564.
   A. Scan the taxpayer's paper documents to your U: Drive.
      1. For individual accounts – Save the file using the taxpayer's last name and first initial.
      2. For business accounts – Save the file using the business name.
   B. Open "Compose" in FAXCOM.
   C. Complete the fax fields as follows.
      1. **Send To** Section: Enter the backscan fax number, 1-804-344-8564, in the Fax Number field.
      3. **Sent From** Section: FAXCOM automatically populates these fields with the sender's information.
      4. **Cover Page** Section: The default cover page (TaxCoverPage) is automatically selected.
      5. **Subject** field: Enter "Backscan for [SSN/FEIN]" as the subject.
      6. **Memo** field: Enter your name, phone number, and the type of document.
         NOTE: Document types include Individual or Business Return, Correspondence, or Other.
      7. **Attachments** Section: Click Browse and attach the taxpayer's scanned document from your U: Drive. Click browse to attach multiple attachments.
      8. **Schedule** Section: **ASAP** and **Normal** are the default options.
      9. **Folder** Section: **Send** is the default option. **Do not change this setting.**



   D. Click Send.
      NOTE: A successful fax transmission message will appear in your Gmail Inbox.
   E. Add a note to the taxpayer's account that documents were sent to backscan.
   F. Delete the scanned document from your U: Drive once you have confirmed the image is showing in image retrieval. It usually appears in the account within 24-72 hours.
   G. Repeat for each taxpayer's documents.

3. If a taxpayer provides paper documents and you use the mail method, prepare them for mailing to Processing.
    A. Print and complete a Tax Processing Work Order, Exhibit 16a. ***NOTE: Without the Work Order, the taxpayer's documents will be treated as new correspondence.***
        1. Name: Enter your first and last name.
        2. Phone Number: Enter your contact number for possible questions about your request.
        3. Date Sent: Enter the date you are mailing the documents.
        4. Identify the Type of Document: Individual Return, Business Return, Correspondence, or Other
        5. Backscan It: Mark the checkbox.
        6. Additional Instructions: Enter details relevant to your request.
    B. Print a Document Separator Sheet, Exhibit 16b***. NOTE: This sheet keeps documents for one taxpayer separate from other taxpayer's documents.***
    C. Paperclip the documents together in the following order.
        1. Work Order
        2. Document Separator Sheet
        3. Taxpayer's Document(s)
    D. Add a note to the taxpayer's account that the documents were sent to backscan.
    E. If mailing backscan documents for more than one taxpayer, repeat Steps 3A – 3D for each taxpayer. **NOTE: A separate Work Order is needed for each set of taxpayer documents being backscanned.**
    F. Send the package to the following address:
    Virginia Department of Taxation
    PO Box 1880
    Richmond, VA 23218-1880

FAQs for Biscom Faxcom

QUESTION: Can I forward to backscan without saving a document?
ANSWER: Yes. Simply open the document in the email and select Print. Make sure that Biscom Fax Printer is selected and use the backscan number for the sender information.

QUESTION: Can I store a phone number I fax to often?
ANSWER: Yes. The private phone book is a great way to store often used phone numbers. See the Job Aid Link for "How to create and use a phonebook with Faxcom".

QUESTION: Can I use the 5 digit Virginia Tax extension to fax?
ANSWER: No. You must use the area code and full phone number to fax.

QUESTION: Is there a phone number format needed to send a fax?
ANSWER: The phone number format is very flexible. Alphabet (A-z, a-x), backslash (\), forward slash (/) and spaces are not allowed. Some acceptable formats are (804)123-4567, 804-123-4567, 804.123.4567 or 8041234567.

QUESTION: Can I search in the phonebook?
ANSWER: No. The phonebooks do not have a search function. You can jump to a letter by selecting that letter. For example, if you are looking for someone who has a last name beginning with "S" you can jump to "S" by selecting it on your keyboard.

QUESTION: Can I change my name and fax number for all of my faxes?
ANSWER: Yes. You can change the name and fax number in the settings section of the Faxcom client.

QUESTION: Can I forward a fax with Faxcom?
ANSWER: Yes. Using "Biscom Fax Print" will forward the fax.

QUESTION: Do I have to open the Faxcom application to fax a document?
ANSWER: No. Documents can be faxed using the "Biscom Fax Printer" in the document print function.

QUESTION: Does Faxcom keep records of incoming and outgoing faxes?
ANSWER: Faxcom does not keep records. However, all faxes are put in your email inbox by default. Gmail features can be used to filter on the subject line and place faxes in sub folders for organization and easy reference.

QUESTION: From CACSG can a duplicate fax be sent using the print to Biscom printer option or does it have to be saved in a separate folder?
ANSWER: A duplicate fax can be sent using the print to Biscom printer option. It does not have to be saved to a separate folder.

Break-Ins

If it is discovered that a break-in has occurred in the home of a Field Agent containing state tax related items, information, equipment, or an automobile used for fieldwork, the following actions should be taken:

- Contact proper police authority in your area. If local police discover the break-in, they will determine the need to contact State Police.
- Notify the Supervisor of the break-in.
- Conduct an inventory of equipment and tax related information.
- Check all security areas to determine if confidential information has been tampered with during the break-in.
- Report the facts and circumstances to the Supervisor outlining any discrepancies and/or findings. A police report of findings should be requested and attached to the Supervisor's report of the incident.
- State owned equipment that is damaged or stolen will be repaired or replaced by Virginia Tax.
- For personal property damage or stolen items, contact your homeowner's policy insurance agent.

Dress Code

Agency employees will observe and comply with a minimum dress standard of "business casual". For purposes of this policy, business casual attire means clothing that allows employees to feel comfortable at work, yet is appropriate for an office environment.

Employees should consider each day's activities when determining what to wear. Employees who are scheduled to meet with person(s) from outside the office should dress in traditional business attire, unless meeting attendees agree in advance to wear business casual attire. While it is intended that employees feel comfortable at work, we must realize that we are representatives of our agency, no matter what type of dress we wear. Employees are expected to present themselves during working hours in attire that is appropriate to the nature of the work they have scheduled for the day.

There will be circumstances when professional business attire will be appropriate and necessary (e.g., scheduled meetings with outside customers, vendors, or government representatives etc.). In these situations, employees are expected to dress accordingly. If scheduled to meet with outside customers at their place of business, employees may adapt their dress according to the customers' dress standards. Employees in designated jobs that are physically demanding should wear clothing that is comfortable and appropriate for the job performed. However, they should always maintain a clean, neat, and well-groomed appearance. Managers will inform employees of any inappropriate situations, if necessary.

Appropriate as Business Casual

Business casual attire encompasses many looks and includes, but is not limited to slacks, khakis, collared sports shirts, blouses, turtlenecks, sweaters, skirts and dress, loafers or similar casual shoes.

Never Appropriate

Unacceptable clothing includes, but is not limited to the following:

- Workout attire (sweatpants, sweatshirts, wind suits, jerseys)
- Jeans, cutoffs, leggings, shorts, skorts
- T-shirts, halter, or tank tops
- Dresses or skirts that are more than two inches above the knee
- Beach attire
- Sheer clothing, or clothing that otherwise is revealing, distracting, or provocative
- Clothing with obscene, profane, abusive writings, or pictures
- Inappropriate footwear (tennis shoes, beach shoes, slippers, flip-flops, sports sandals or similar open-toed shoes)

Choice

This policy does not require employees to purchase business casual attire. Employees who prefer to dress in formal or traditional business attire should feel free to do so.

Virginia Tax may make reasonable accommodations for dress or grooming directly related to an employee's religion, ethnicity, or disabilities.

If there are specific questions about appropriate office dress, employees should refer to their Supervisor, Human Resources staff, or the Dress Code Policy, which can be found in the Toolbox on Virginia Tax.

Agency Responsibility

The Tax Commissioner, Leadership Team, agency Managers and Supervisors, and the Human Resources Director are responsible for the consistent application of this policy. Violations of this policy may be cause for appropriate disciplinary action.

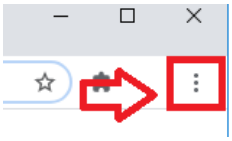
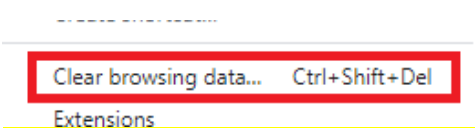
G Suite Calendar

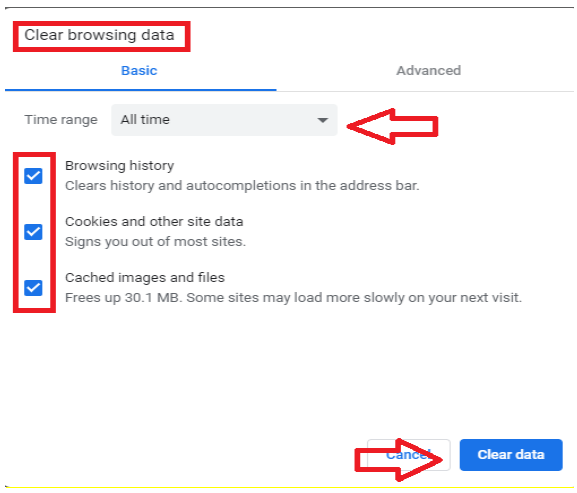
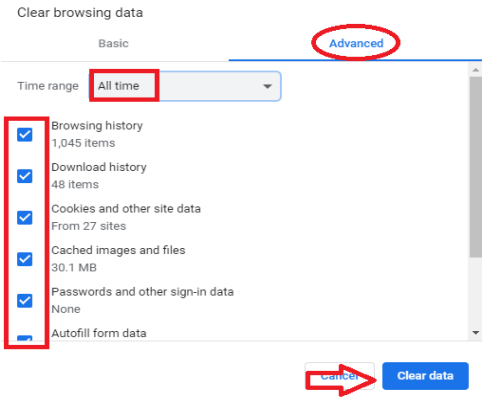
Field Agents are required to maintain daily itineraries in G Suite Calendar. Office and/or field hours, including location, leave and training hours, etc. are to be maintained on the G Suite calendar. Access to a Field Agent's calendar must be delegated and should be made available to all other employees with a need to know such as managers, Supervisors, and co-workers. The calendar not only provides a daily work history, but also informs others of the general hours the Field Agent is available. The Field Agent may keep mileage and expense information on the calendar as well.

G Suite calendars should be updated 30 days in advance on a weekly basis. It is realized that appointments and deadlines arise unexpectedly in the field and that calendars may change at the last moment. The Field Agent should make every effort to record changes as soon as possible and notify any affected persons.

How to Clear Cache Files in Google

If your G Suite Calendar, Email or web browser is running slow, you can clear your cache files to possibly help resolve the issue. Follow these instructions to clear the cache files:

1	Open a new chrome window	
2	Click the three dots in the upper right hand side	
3	Go to more tools	
4	Select Clear browsing data	

5	Make sure the time range is “All time” and all the boxes are checked on the left side.	
6	Select advanced tab	
7	Select “All time” under time range, check all the boxes on the left side then click the “Clear data” button.	
8	Once you finish this process you will need to restart Google in order for this process to take effect.	

Mail

Field Agents no longer have post office boxes for receiving Virginia Tax mail. All taxpayer mail must be sent to: Virginia Department of Taxation, PO Box 1775, Richmond, Virginia 23218. Field Agents must not have any mail sent to their home address.

Meetings

Communication with our teams are important to safety, engagement, and ensuring accurate information is provided to our taxpayers. Field Agents are required to attend and participate in all scheduled meetings with their teams. Cell phones should be off or on vibrate and out of sight during meetings and conference calls.

Cell Phones

Cell phones must be on vibrate or off and out of site during meetings or when meeting with taxpayers. State cell phones are for business use only. Personal use of state cell phones is limited to emergencies.

Office Supplies

Each Field Agent will be required to determine the types and quantities of supplies needed to operate efficiently from a home office environment and to keep track of their inventory to insure replenishment of items before supplies are exhausted.

Virginia Tax forms, stationery, memo pads, staples, pencils, pens, markers, rulers, etc., will be requested from the Supervisor a minimum of two weeks before stocks are depleted. The Supervisor will assemble the requested supplies from local stocks, inventory in Richmond or through local purchases and arrange to meet with the employee for delivery of supplies.

Postage

If a Field Agent has an expense for postage, it may be included on the travel voucher as long as there is mileage associated with it. If there is no mileage associated to a postage expense, and the Field Agent does not have a state car, then the postage expense must be submitted on a "Receiving Report".

If the Field Agent has a state car, a postage expense may also be included on the travel voucher even though there is no mileage associated to the postage expense. The Field Agent must make sure that one of the "State Vehicle" statements on the top of the travel voucher has been selected**. If one is not, the voucher will be returned.**

Professionalism

Field Agents are expected to be professional and respectful to all taxpayers, peers, and management at all times. Additionally, Field Agent must comply with all rules and regulations found in the Attendance, Code of Ethics, Dress Code and Technology policies located in TAXi and in the Field Collections Guide.

Relocation

Having access to high speed internet is a requirement for the Field Agent position. If relocating, the Field Agent must be sure the required internet service is available at the new location.

Workers Compensation Claims

An injured Field Agent should call Human Resources to report the injury. The Field Agent should contact the HR Benefits Analyst. Required information will be obtained and the HR Benefits Analyst will explain the process to the injured Field Agent. The Field Agent should also notify their immediate Supervisor.

Exhibit 16a – Tax Processing Work Order

TAX PROCESSING WORK ORDER

Questions? Call us (804) XXX-XXXX – Address your inter-office envelope to **Mail Processing/Westmoreland**

Identify WHO is sending this work to us in case we have a question:

NAME: Field Agent's Name **PHONE NUMBER:** 804-XXX-XXXX **DATE SENT:** _____

Identify WHAT it is you are sending:

INDIVIDUAL RETURN ☐ BUSINESS RETURN ☐ CORRESPONDENCE ☐ OTHER ☐

Identify WHAT you want us to do with this work:

PROCESS IT * ☐ BACK SCAN IT ☐

*What is the **Postmark Date** to be used for processing? _____

Any additional instructions? _____

_____

Exhibit 16b – Document Separator Sheet

Document Separator Sheet

All Manual Index & CRM Jobs

VA DEPT OF TAXATION - Revised 03/17 (Yellow) Form ID #3060

Chapter 17

Deceased Accounts

The purpose of this section is to provide Field Agent staff with steps for working correspondence and phone calls related to a deceased taxpayer's business and/or individual (converted) account.

Returned Mail Addressed to the Taxpayer

If the Field Agent receives correspondence assigned to them in Siebel and it is returned mail addressed to the taxpayer, the Field Agent should review the account in Siebel, CACSG and/or AR.

If the bills on the account have been converted, send the Request for Information on Deceased (COL014) letter to the address on file and the circuit court checking the box indicating the death certificate has been received from the Initiate Correspondence window in CACSG. This letter should be printed to "Batch".

If a death certificate has been received or the death can be confirmed by an obituary the Field Agent should note the source in CACSG and AR. If the death is discovered through an online obituary the Field Agent should copy the obituary into the history notes in CACSG and/or AR.

If it is discovered there is no Estate or the Estate has been resolved the Field Agent should put the account in the Deceased State, H010, in CACSG. Make sure the "Deceased" box is checked in AR.

Returned Mail Addressed to a Lien Source

If the Field Agent receives correspondence assigned to them in Siebel and it is returned mail addressed to a lien source, the Field Agent should review the account in Siebel, CACSG and/or AR.

In CACSG open the demographics window then select the lien source and enter the end date in the Assets window if the lien source is an employer. If the lien source is a financial institution, check the Bad Source box and do not enter an end date. Make sure the "Deceased" box is checked in AR.

If the bills on the account have been converted, send the Request for Information on Deceased (COL014) letter to the address on file and the circuit court checking the box indicating the death certificate has been received from the Initiate Correspondence window in CACSG. This letter should be printed to "Batch".

If a death certificate has been received or the death can be confirmed by an obituary the Field Agent should note the source in CACSG and AR. If the death is discovered through an online obituary the Field Agent should copy the obituary into the history notes in CACSG and/or AR.

If it is discovered there is no Estate or the Estate has been resolved the Field Agent should put the account in the Deceased State, H010, in CACSG.

Mail Received from a Spouse or a Third Party

If the Field Agent receives correspondence assigned to them in Siebel and it is returned mail addressed to the taxpayer, the Field Agent should review the account in Siebel, CACSG and/or AR.

If the bills on the account have been converted, send the Request for Information on Deceased (COL014) letter to the address on file and the circuit court checking the box indicating the death certificate has been received from the Initiate Correspondence window in CACSG. This letter should be printed to "Batch".

If a death certificate has been received or the death can be confirmed by an obituary the Field Agent should note the source in CACSG and AR. If the death is discovered through an online obituary the Field Agent should copy the obituary into the history notes in CACSG and/or AR.

If the date of death is older than three years, Discharge the debt from the Bill Summary in AR under the converted account. **DO NOT** discharge the bills for other responsible parties who are obligated to pay the liability and **DO NOT** discharge the bills from the business account if they have been converted to more than one person. Make sure the "Deceased" box is checked in AR.

Chapter 18

Timekeeping and Leave Policies

DHRM's leave policies apply to all positions covered under the Virginia Personnel Act including classified and restricted employees. Below is a list of leave types that are defined on DHRM's website.

Most of the Leave Policies can be found under Benefits Management.

- Civil and Work Related Leave
- Annual Leave
- Compensatory Leave
- Educational Leave
- Emergency/Disaster Leave
- Family and Medical Leave
- Leave Sharing
- Leave to Donate Bone Marrow or Organs
- School Assistance and Volunteer Service Leave
- Leave Without Pay - Conditional/Unconditional
- Military Leave
- Overtime Leave
- Public Health Emergency Leave
- Sick Leave
- Virginia Sickness and Disability Program Leave
- Worker's Compensation

Timekeeping

Virginia Tax employees are required to use TAL (Time, Attendance, & Leave), the agency's automated timekeeping system, to capture time worked and leave usage. TAL also provides real-time leave balances. This system was designed to ensure compliance with the Fair Labor Standards Act recordkeeping requirements for non-exempt employees, which require employers to keep certain records for each non-exempt employee for a period of at least three years.

Classified, non-exempt employees and hourly wage employees are required to complete timesheets, documenting all hours worked or any leave taken for the workweek. The data recorded on the timesheet in TAL shall be considered the official record of the workweek.

Timesheets for the week should be completed and submitted to the Supervisor for approval by noon on Monday of the following week, but no later than noon on Wednesday of the following week. TAL is accessed through Employee Direct; links can be found on the TAXi homepage.

If the Field Agent has issues assessing TAL on your laptop then you can access it from Safari on your iPad at edirect.virginia.gov in order to complete the timesheet.

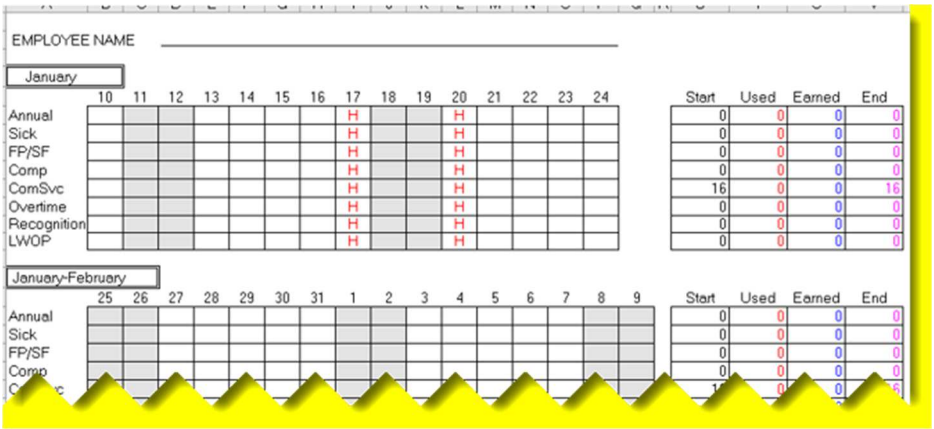
Leave Request

It is recommended that the Field Agent maintain a balance of five days of leave; family/personal, annual, and/or sick combined.

Field Agents should request leave as far in advance of the desired leave as practicable. If the Field Agent could not have anticipated the need for leave, the request for approval must be made as soon as possible after leave begins. The request may be submitted verbally, by email, or through TAL and submitted to the Supervisor on Monday of the week following the leave. Leave is recorded in TAL.

Leave balances are available in TAL however, a Leave Recording spreadsheet is provided by Human Resources to record your leave time. At the beginning of each year (when new leave is assigned) you would add the starting balance.

Under "earned" you will enter the number of hours you accrue each pay period. This gives you a running total of your leave balance and can help you to plan for future leave.



EMPLOYEE NAME _____

January

	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Start	Used	Earned	End
Annual								H			H					0	0	0	0
Sick								H			H					0	0	0	0
FP/SF								H			H					0	0	0	0
Comp								H			H					0	0	0	0
ComSvc								H			H					16	0	0	16
Overtime								H			H					0	0	0	0
Recognition								H			H					0	0	0	0
LWOP								H			H					0	0	0	0

January-February

	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	Start	Used	Earned	End
Annual																	0	0	0	0
Sick																	0	0	0	0
FP/SF																	0	0	0	0
Comp																	0	0	0	0

Annual Leave

Field Agents wishing to take annual leave should notify their Supervisor of their request via email and/or phone call at least 24 hours prior to the absence. Annual leave requests should also be entered on the Gmail calendar.

Unplanned Sick Leave (Illness)

Field Agents who will be out of the office for unplanned sick leave (leave other than a scheduled appointment) should notify their supervisor via phone, email, or text. If you are unable to reach the Supervisor by phone, leave a message or send an email. In the event of an extended, unplanned absence, the Supervisor may enter sick leave requests for the employee.

Planned Sick Leave (Scheduled Appointments)

Employees wishing to take sick leave for a scheduled appointment, should notify their Supervisor of the request at least 24 hours in advance or with enough advanced notice as possible prior to that absence. Planned sick leave requests must be included on Gmail calendar prior to the leave date.

Out of Office

If the Field Agents will be out of their office (Leave or Training) for more than two days, they are expected to update their email and voicemail accordingly.

When in the Field, the Field Agent is expected to monitor their emails and VoIP voice messages using their iPad Gmail application. If an immediate return call is needed, the email can be forwarded to the Senior Field Agent or Supervisor. All voicemails and emails are to be returned within 48 hours.

Sample Out of Office Greeting:

> This is (NAME) with Virginia Department of Taxation. I'll be out of the office from (DATE) through (DATE). Please leave your name, either your FEIN, SSN or Client ID and your phone number and I will return your call on (DATE). For immediate assistance call (Alternate Field Agent) at 804-xxx-xxxx. Thank you.

Leave Approval

Before taking leave from work, whether with or without pay, Field Agents must request and receive agency approval for the desired leave. When agency operations are not affected adversely by a request for leave, the agency should attempt to approve the Field Agent's request.

If the time requested for leave conflicts with agency operations, the agency has the discretion to approve the Field Agent's request for an alternate time. Agencies may not approve paid leave to be taken in a pay period in which an employee does not have sufficient accrued leave to cover the absence.

The employee is responsible for knowing their amount of accrued leave. Employees will be required to reimburse their agencies for time taken without sufficient accrued leave to cover such time off. Reimbursements may be in the form of money or annual, sick, compensatory or overtime leave.

Attendance

Field Agents are expected to be logged into CACSG on time and for the duration of their established shift. They are expected to return to work from lunch/meal periods at the appointed time.

If a Field Agent is unable to report to work at their normal start time or is going to be late in reporting to work or returning from lunch/meal period, the Field Agent must notify their Supervisor as soon as possible, or a Senior Field Agent if the Supervisor is not available. In these instances, and upon approval of the Supervisor, the Field Agent must include the time on the TAL timesheet.

Failure to notify the appropriate authority may result in disciplinary action.

TAL

Field Agents are required to enter their daily working time into the TAL Timesheet. Final submissions should be completed by **noon on Wednesday for the prior week**. Time must be entered at the end of each working day exactly as it is worked. Time entry into TAL is essential as it affects employee pay and the accrual of leave time.

Breaks

At the discretion of the Supervisor, Field Agents will be allowed two 15 minute breaks, one in the morning and one in the afternoon. These breaks may not be used in conjunction with lunch, leave, or leaving early. If an alternate work schedule is needed, due to unexpected circumstances, speak with your Supervisor in regards to working an alternate schedule for that particular day.

Lunch

Virginia Tax Policy states that lunches are 45 minutes in length. Field Agents are required to log out of CACSG for lunches and log in after lunch, if they are in the office. Lunches can be taken any time beginning at 11:00 am with the latest return time of 2:00 pm. Any lunches taken with a later return time after 2:00 pm, will be at the discretion of the Supervisor. Reducing the length of the lunch period cannot be used to make up time during the work shift or to leave early.

Chapter 19

State Equipment

The Virginia Department of Human Resources Management (DHRM) and Virginia Tax have established a number of policies and procedures for the management of personnel and the use of State owned equipment. These policies and procedures affect the daily work of Field Agents.

Many of these policies, including the *Employee Handbook*, are available for review on DHRM's website or on Virginia Tax's Website.

The state will provide equipment and materials needed by the Field Agents to effectively perform their duties. However, where agreements specify, Field Agents may be authorized to use their own equipment. When Field Agents are authorized to use their own equipment, agencies will not assume responsibility for the cost of equipment, repair, or service.

Authorized use of state owned equipment is only for legitimate state purposes by authorized employees. Field Agents are responsible for protecting state-owned equipment from theft, damage, and unauthorized use.

State owned equipment used in the normal course of employment would be maintained, serviced, and repaired by the state. Virginia Tax will stipulate who is responsible for transporting and installing equipment, and for returning it to the Central Office for repairs or service. When Field Agents are authorized to use their own equipment, agencies will not assume responsibility for the cost of equipment, repair, or service.

Equipment assigned to Field Agent may be a Laptop, iPad, 3 in 1 printer copier scanner, shredder, locking file cabinet, locking shred bin, VoIP phone, and miscellaneous office supplies. Field Agents may be assigned other equipment based on assigned job duties.

i-Pads

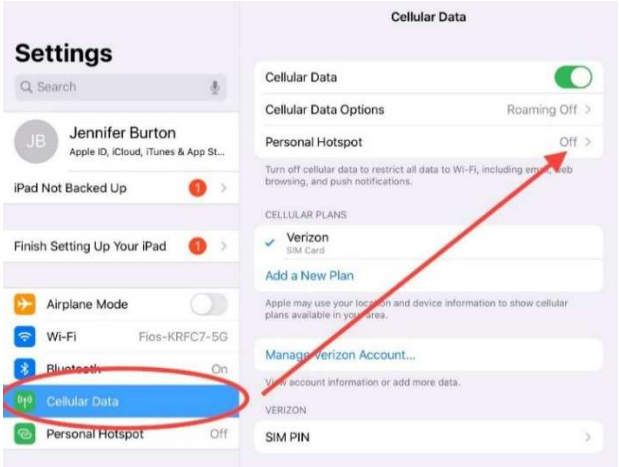
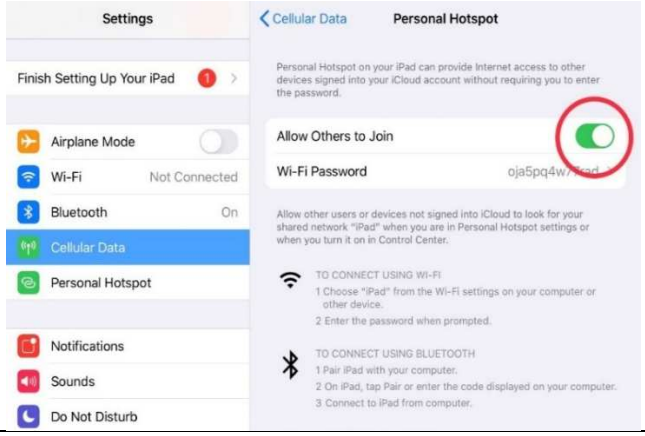
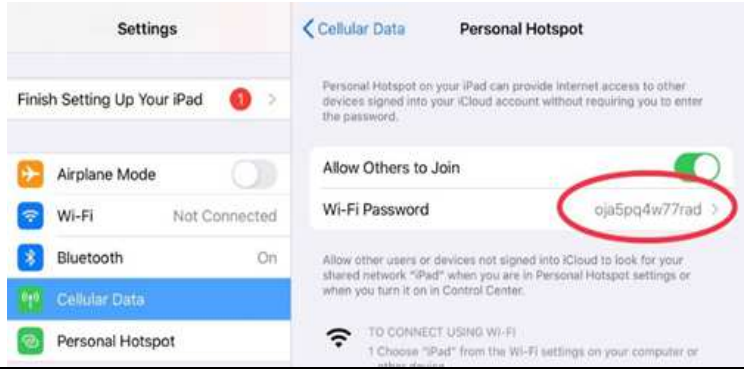
All Field Agents are provided an iPad which is to be used for official tax business only. Care should be taken to adequately secure tablets being used in the field and at home. Never leave a tablet unattended in a car. Lost or stolen tablets are to be reported immediately to your Supervisor and the proper authorities.

Setting Updates

Field Agents are responsible for making sure the most recent updates are installed on their iPad. Updates must be done within two days of receiving notification.

Hotspot

Field Agents can use tablets as a hotspot when needed and should follow these instructions for establishing the connection:

1	Go to Settings > Cellular or Settings > Personal Hotspot	
2	Tap the slider next to Allow Others to Join	
3	On the device to which you want to connect, go to Settings > Cellular > Personal Hotspot or Settings > Personal Hotspot and make sure that it's on. Verify the Wi-Fi password and name of the phone. Stay on this screen until you've connected your other device to the Wi-Fi network. This password can be changed simply my clicking on Wi-Fi password and entering a new one of your choice.	
4	On the device to which you want to connect, go to Settings > Wi-Fi and look for your iPad in the list. Then tap the Wi-Fi network to join. When asked, enter the password for your Personal Hotspot.	

Duo-Mobile Setting

Occasionally the settings in the Duo Mobile application can come undone. When this happens, use the following steps to help solve the problem.

- Go into Settings on iPad and select the Notifications option.
- Scroll down in Notifications and tap the DUO Mobile option.
- Make sure the Allow Notifications switch is on. It should be green.
- Under Alerts make sure the Lock Screen, Notification Center, and Banner options are checked (√).
- Under Banner Style select Persistent.

If you still have issues send an email to the iPad team at **TAX-MobileAppSupport** or call 804-404-4183.

Incorrect iPad Payments

If a Field Agent submits a payment for an incorrect amount using the tablet, an email needs to be sent immediately to **TAX-MobileAppSupport** or call 804-404-4183. Provide the amount of the payment, the taxpayer's account number, and the confirmation number for the payment.

If a response to the email is not received within an hour, place a phone call. Incorrect payments need to be stopped immediately.

If an incorrect payment cannot be stopped, the Field Agent must contact the Taxpayer and advise them of the error and request that they contact their bank and advise the bank the payment amount was not authorized. Once the bank stops the payment, the payment will be reversed and a returned check fee will be applied. The returned check fee should be abated by the Field Agent.

How to Make Outbound Calls on the iPad

Field Agents can use their tablet to make outbound call while out in the field. In order to do this the Field Agent must make some changes to the iPad.

- Go to App Store on the iPad
- Search – Google Hangouts
- Select "Get"
- The Field Agent will need their Apple iPad password to install the Hangouts App.

Once the application has been installed on the iPad, in the bottom left corner are function options.

- Contacts Icon
- Favorites Icon
- Hangouts Icon (For instant messaging)
- Calls Icon

To place call

- Select the phone Icon.
- Press the green button to display the phone (digits and the send button will appear).
- Dial the number (area code and number).
- Press send.

Outgoing Call History

- Make a history note in CACSG, just as with any outgoing call, when using the iPad to contact a taxpayer. It is important to leave an audit trail.
- Be sure to specify in the notes that the call was made from the iPad.

Leaving a voicemail message for the taxpayer

- Incoming calls cannot be received on the iPad. The Field Agent is to use their VoIP phone number as a call back number if the Taxpayer's voicemail is reached.

Security Tip

- Use only Virginia Tax issued iPads and not personal devices when communicating with Taxpayers.
- To adhere to the best practices of safeguarding taxpayer privacy, earbuds or headphones may be place into the headphone jack of the iPad to ensure conversation privacy and confidentiality.

Laptops

If you have issues with your Laptop and/or any programs uploaded on your Laptop you should contact the Help Desk at 866-637-8482 or email them at VCCCC@vita.virginia.gov. You will be given a ticket number which should be recorded on your Gmail Calendar along with the time you are unavailable and notify your Team Leader and/or Supervisor.

VoIP Phones

Please ensure you follow these recommendations for the highest quality home based VoIP service:

DO:

- Connect your phone directly to your router using Ethernet cable, ensure there are no other device in the path, especially wireless devices.

- Please review the VoIP Phone Assembly and Connection Instructions for specifics.
- Make sure you have an adequate Internet coverage plan, preferable ISP's, subject to local availability include: Verizon FiOS, Comcast xfinity, COX.
- Many of these Internet Service Providers (ISP) offer multiple plans, subscribe to a plan with the specifications below.
- Subscription to a reliable, high-speed, hard-wired, bi-directional Internet connection. Fiber or cable with bi-directional speeds:
    - 3 Mbps downstream, or greater
    - 1 Mbps upstream, or greater
    - Maximum latency of 100ms

- Limit the amount of non-work Internet traffic during phone calls, which could come from other devices on your network e.g., smart phones, tablets, other PCs.
- Work with the Virginia Tax VoIP Support Team if you have questions by entering a VoIP Support request (on the right side of this page).

DON'T:

- Don’t use Internet Service providers that utilize satellite, dish, 3G/4G, cellular, wireless cards, MIFIs, or DSL technologies (they do not work well with VoIP)
- Don’t use any wireless connections between your phone and the Internet
- Don’t upload or download large files during a VoIP phone call
- Don’t open or save large files to the network during a phone call
- Don’t upload/download Siebel working papers or synch Siebel during a call
- Don’t archive email or open large email attachments during a phone call

BEST PRACTICES WHEN USING IP COMMUNICATOR:

- When you exit IP Communicator be sure to click on the menu button at the top of the screen and select "exit"; clicking on the "X" does not close it properly;
- Rebooting the modem is a good way to clear IP Communicator during heavy call volume;
- Always reboot your computer at the start of each day; this allows IP Communicator to refresh registration;
- If you are using a USB headset, make sure it is plugged in before boot up;
- After booting up, connect to the VPN, and then start IP Communicator before running any other applications after booting up, connect to the VPN, and then start IP Communicator before running any other applications;
- If you are using IP Communicator, wired Ethernet connection is highly recommended;
- Wireless connections can cause calls to drop or other interference issue that we have no way of supporting;
- Your home internet service should provide at least 3mb download and 1 mb upload with no more than 100ms latency;
- You should limit other uses of internet service during working hours (like movie streaming or gaming);
- Slow connections or other internet activity can cause issues with Call Quality or call dropping.

If you are having call quality issues please **reset your phone** AND **clear your cache** prior to submitting a Work Request**,** How Do I Reset my Phone.

For more help go to: http://taxi/voipsupport/default.aspx

Chapter 20

Standards of Conduct, Confidentiality, and Disclosure

It is the objective of the Commonwealth of Virginia to promote the well-being of employees in the work place and to maintain high standards of professional conduct and work performance. Standards of Conduct have been established to set forth standards for professional conduct, to define behavior that is not acceptable and to establish corrective actions that may be imposed to address behavior and employment problem. This policy applies to all employees covered by the Virginia Personnel Act, including Virginia Tax Field Agents and can be found on DHRM's website in the Human Resources Policies section under General Policies.

Virginia Tax has also established an Addendum to the Standards of Conduct Pertaining to Confidentiality of Tax Information. A copy of this policy can be found in the Toolbox on Virginia Tax.

Information Security

Virginia Tax established an Acceptable Use Policy in an effort to protect the citizens and businesses of the Commonwealth from information security breaches or other data disclosures. When employees access Virginia Tax and Commonwealth computer applications and systems, they must follow all security guidelines, processes, and procedures provided by the Office of Technology, the Commonwealth of Virginia, and the IRS. All users of the agency's systems must adhere to rules and regulations set forth in the Acceptable Use Policy, which may be found in the Toolbox on Virginia Tax.

Confidentiality of Taxpayer Information

Field Agent staff must protect and store all taxpayer in a secured cabinet or desk. Fax machine, computer, and other items where taxpayer information can be received and/or displayed should be away from public or family use areas.

Items to be shredded should be stored in provided bins and locked until shredded or properly destroyed. Phone calls should be made where conversations cannot be overheard by family members or guests.

No federal information will be kept at a home office without approval from your immediate Supervisor. If federal data is authorized, data storage area should meet requirements for federal data storage. Data should be mailed to/from Virginia Tax office in secure double sealed packaging.

Confidentiality and Disclosure

All Field Agents of Virginia Tax are bound by state and federal laws designed to protect the confidentiality of information and records accessed during the performance of job duties. As outlined in Code of Virginia §58.1-3, maintaining the confidentiality of taxpayer tax information is of the utmost importance.

Confidential Information

Confidential information is defined as transactions, property (including personal property), income or business of any person, firm or corporation, and any tax information provided to Virginia Tax by the taxpayer, the taxpayer's representative, or the Internal Revenue Service (IRS).

This includes all of the tax information maintained at Virginia Tax and tax information maintained in offices, in the possession of Field Agent, stored in file cabinets in the homes of the home-based Field Agent, stored in Virginia Tax's and other federal and or state agency computer systems or databases, and any other tax information controlled, accumulated, gathered or stored by any member of Virginia Tax and in the offices of local Commissioners of the Revenue and Treasurers and other authorized agencies, regarding specific individuals and businesses.

Incidents of inadvertent and intentional disclosure of confidential information are subject to reprimands, dismissal, or punishment under the law as outlined in the Standards of Conduct (Policy 1.60, Exhibit 20a, found at the DHRM Website.

Disclosure

Disclosure is releasing or making known confidential tax information to any person in any manner. Disclosures can be oral, written, or by action such as showing someone a document containing confidential tax information. There are two types of disclosure, authorized and unauthorized.

Authorized Disclosure Includes the Following:

- Discussing or providing information by phone about a bill or other related issues when the taxpayer's identity has been verified.
- Explaining or discussing a document in the taxpayer's possession when you have verified the identity of the taxpayer or established the individual has proper authorization from the taxpayer to receive confidential tax information.
- Providing information about a tax refund, bill, set off debt, or other tax related issue through a phone call as long as you have verified the taxpayer's identity is an authorized disclosure.

Unauthorized Disclosure Examples:

- Releasing the fact that another person has filed a return is an unauthorized disclosure.
- Revealing any information from Virginia Tax Integrated Revenue Management System (IRMS) or other sources, such as forms, returns or printouts, to a person not properly identified as the taxpayer or as someone properly authorized by the taxpayer to receive the information, is an unauthorized disclosure.
- If a police officer calls and asks you to verify a certain social security number, you cannot give an answer. This is confidential information and an unauthorized disclosure.
- If a person wins the lottery, only to find that, his or her winnings are held by a debt set-off because another person is using his SSN and you divulge the name of the other person using that SSN, is an unauthorized disclosure.
- Discussing taxpayer information with coworkers who do not have a work related need to know the information is an unauthorized disclosure.
- If a taxpayer files married filing separately for a tax year, releasing information to the spouse not listed on the return is an unauthorized disclosure.

- If taxpayer information is left on your desk or a screen on your PC is displayed in an unsecured area and someone reads the information, unauthorized disclosure has occurred.
- Discussing taxpayer information in any public area, including a hallway, cafeteria, or elevator and where others overhear it is an unauthorized disclosure.

Reporting Unauthorized Disclosures

Report all unauthorized disclosures to your Supervisor immediately. It is the responsibility of the Supervisor to report the disclosure to Virginia Tax Disclosure Officer, Exhibit 20b.

Browsing

Browsing is the willful or negligent unauthorized access or inspection of taxpayer records, either computerized or paper information. The taxpayer Browsing Protection Act makes it a crime for employees to look through taxpayer files without authorization. Violations of the browsing protections are punishable upon conviction by a fine not to exceed $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution. Do not look at taxpayer information without a work related reason.

Examples of the types of browsing violations:

- If you review your own tax records without a work related reason, you are browsing.
- If you just look at (and do not tell) taxpayer information, electronic or paper, without a work related purpose, you are browsing.

Reporting Unauthorized Browsing

Report all unauthorized browsing to your Supervisor immediately. It is the responsibility of the Supervisor to report the browsing incident to Virginia Tax Disclosure Officer.

Browsing violations involving federal tax information should be reported to Virginia Tax Disclosure Officer but may be reported directly to the IRS fraud hotline at 1-800-366-4484.

Confidentiality/Disclosure Issues Affecting Field Personnel

- **Virginia Tax Laptops:** Care should be taken when leaving the work area to insure that the computer is not logged on in a manner that would allow usage and/or access without a password.
- **Virginia Tax Tablets:** Care should be taken to adequately secure tablets being used in the field and at home. Never leave a tablet unattended in a car. When reviewing an account with a taxpayer the discussion should take place in a secure area where taxpayer account, financial institution, or credit/debit card information cannot be overheard or seen by unauthorized individuals. Lost or stolen tablets should be reported immediately to the proper authority.
- **Copier:** Unintentionally leaving materials such as tax returns, checks, etc., in the copier is an inadvertent unauthorized disclosure.
- **After Hours:** Confidential materials such as tax returns, checks, computer printouts, etc., should not be left exposed. All checks, tax returns, and return information should be properly secured at the end of the workday
- **Personal Computers:** PCs containing confidential tax information should be properly secured after work hours and when not in the actual possession of the Field Agent.

- **Vehicles:** If a Field Agent's vehicle is stolen or vandalized and a taxpayer's files are missing or a Field Agent's state issued electronic devices are stolen, this is an inadvertent unauthorized disclosure. The disclosure should be reported to the taxpayer's management and to Virginia Tax Disclosure Officer. Vehicles containing confidential tax information should be locked at all times when not occupied. Confidential information must be properly secured in vehicles so that the information is not visible to others.
- **Appointment books, brief cases and cash receipt books:** All such documents should be adequately secured while at a taxpayer's place of business
- **Telephone calls from a taxpayer's place of business:** Making calls from a taxpayer's place of business should be avoided. The necessity for the phone call should be evaluated and the following security issues should be considered:
    - **Privacy:** Can the phone call be made without others hearing confidential tax information?
    - **Phone tapping:** Be mindful that the taxpayer's telephone may have a wiretap. Field Agents are not to use a taxpayer's telephone to conduct any confidential tax related business.
    - **Caller I.D.**: Is the privacy of a taxpayer compromised by the caller identification of the person receiving the call?
- **Cell Phones**: Cell phones are generally not secured communication and should not be used to discuss confidential tax information.
- **Friends, spouse, and relatives:** It is an unauthorized disclosure to discuss the nature of any official business with friends or relatives who are not Virginia Tax employees.
- **Corresponding with a taxpayer:** When correspondence is received concerning an inquiry about an account, caution should be used to insure the response is being made to the taxpayer whose account is the subject of the inquiry. The correspondence should have the taxpayer's name, address, and social security number or other applicable identification number. Give only information pertinent to the inquiry.
- **Corresponding with a taxpayer by FAX:** Steps must be taken to identify the person requesting information before sending confidential information via FAX. No confidential tax information relating to the Estate or Fiduciary returns is to be sent via FAX. The first page of a FAX cover sheet should not contain confidential information such as a SSN, FEIN or Virginia account number. All transmissions of confidential tax information will be noted on the system for each taxpayer with an audit trail showing details of information sent, e.g., date, FAX number, name, type of letter/form transmitted, and operator number. If a document has been sent to the wrong number via FAX, this is considered an inadvertent unauthorized disclosure. If information is faxed to the wrong number, the person receiving it should be notified immediately that through error, they have received confidential information and that viewing or copying could bring undesirable consequences. The attempt should be made to solicit their cooperation in mailing the material to Virginia Tax or destroying the material. Notify the Disclosure Officer immediately.
- **Responding to taxpayers by secure email:** Confidential tax information can be sent via encrypted (Virtru) email if necessary. Unencrypted email responses can be given to general tax questions such as when to file, where to file, or which form to file, etc. State and federal laws require us to keep return and account information from our records confidential.
- **Internet Policy:** The Commonwealth's Electronic Communications and Social Media Policy allows occasional and incidental personal use of the Internet, as long as it does not adversely affect the efficient operations of the Commonwealth's systems and networks. Personal use of

the Internet from an agency workstation should not interfere with productivity or work performance and usage should be for a reasonable amount of time, given an employee's work schedule. Personal use should be viewed as an occasional and incidental activity. Virginia Tax will monitor Internet usage by employees and any prohibited, or inappropriate activity will be addressed with individuals as necessary. This may include formal disciplinary action up to or including termination. The only approved online chatting medium is Google Hangouts. Online games should not be played from any office workstation (Exhibit 20c).

Written Authorization and Powers of Attorney

Anyone can authorize an individual such as a tax preparer, attorney, family member, etc., to discuss confidential tax matters and receive correspondence from Virginia Tax on their behalf. Virginia Tax requires a specific form (PAR101) for authorization of a representative and release of confidential information. However, alternative forms of authorization such as Federal From 2848 (Virginia Tax Matters must be specified) and other POA forms (Durable, General, Limited, etc.) that include Virginia Tax Matters may be accepted. Form R-7, Application for Enrollment as a Virginia Authorized Agent, is required for an authorized representative to be eligible to receive copies of correspondence, documentation, or other written materials related to a specific tax matter for which Form PAR 101 has been filed. Forms PAR 101 and R-7 can be downloaded from the Virginia Tax website. All Power of Attorney forms and Applications for Enrollment as a Virginia Authorized Agent received by Field Agents must be submitted to Central Office to be entered into AR.

Safeguarding and Disposing Tax Information Furnished by IRS

In accordance with the AGREEMENT ON COORDINATION OF Virginia Tax ADMINISTRATION between the State and the IRS, federal tax information must be adequately protected to insure confidentiality of the data. The Office of Compliance manages federal tax information. Only specifically designated persons in the Office of Compliance are authorized to request federal tax information. Employees who are authorized to have access to federal tax information are required to return such information to the secured area in the Office Audit Section at the end of each workday. Virginia Tax's Disclosure Officer and IRS Safeguard Coordinator are responsible for federal tax information from the time it is received until destruction.

The manual entitled Procedures for Safeguarding Federal Tax Information (IRS Publication 1075) gives details on this subject. Under no circumstance is federal tax information to be released by Virginia Tax to anyone, including any other state agency, except as provided by Internal Revenue Code 6103(d). If you have access to any federal information, do not release it to anyone without the approval of Virginia Tax's Disclosure Officer.

If the assigned agent or district Supervisor requests federal tax information, the Supervisor under double lock must maintain the documents.

Safeguarding and Disposing State Tax Information

Much like federal tax information, state tax information must be adequately protected to insure confidentiality of the data. Only employees who work with state tax information are authorized to have access to the data. State tax information should be secured at the end of each workday. Virginia Tax's Disclosure Officer is responsible for ensuring policies are in place to insure taxpayer information is

properly stored and destroyed. If confidential tax material must be destroyed, the paper must be shredded to strips of 5/16 inch wide or smaller.

Request for Advice on Disclosure Matters

Anytime there is doubt or question about release of confidential information, the Field Agent must not release the information before obtaining clarification regarding the release. The agent can consult Virginia Tax, Compliance, Safeguarding and Disclosure of Tax Information, contact a Supervisor, or contact the agency Disclosure Officer, Exhibit 20d.

Exhibit 20a - Standards of Conduct

STANDARDS OF CONDUCT

Standards of Conduct Policy: 1.60 Effective Date: April 16, 2008 Revised: 6/1/11

Application: All positions covered by the Virginia Personnel Act, including non-probationary full-time and part-time classified and restricted employees. Agencies may use this policy as a guide for evaluating the workplace conduct of employees who are not covered by the Virginia Personnel Act, such as wage employees, probationary employees and employees expressly excluded from the Act's coverage. (Official Written Notice forms may not be issued to these employees.)

POLICY

It is the policy of the Commonwealth to promote the well-being of its employees by maintaining high standards of work performance and professional conduct.

PURPOSE

The purpose of this policy is to set forth the Commonwealth's Standards of Conduct and the disciplinary process that agencies must utilize to address unacceptable behavior, conduct, and related employment problems in the workplace, or outside the workplace when conduct impacts an employee's ability to do his/her job and/or influences the agency's overall effectiveness.

It is the intent of this policy that agencies follow a course of progressive discipline that fairly and consistently addresses employee behavior, conduct, or performance that is incompatible with the state's Standards of Conduct for employees and/or related agency policies. Disciplinary actions must be founded on the principles of due process and will employ a range of corrective and disciplinary actions that are applied based on the nature and history of the misconduct or unacceptable performance. Corrective and disciplinary actions must be administered through a prompt and fair process as described in this policy's Administrative Procedures. The ultimate goal of this policy and its procedures is to help employees become fully contributing members of the organization. Conversely, this policy is also designed to enable agencies to fairly and effectively discipline and/or terminate employees whose conduct and/or performance does not improve or where the misconduct and/or unacceptable performance is of such a serious nature that a first offense warrants termination.

The Administrative Procedures for the consistent administration of this policy are attached.

EMPLOYEE STANDARDS OF CONDUCT

Employees covered by this policy are employed to fulfill certain duties and expectations that support the mission and values of their agencies and are expected to conduct themselves in a manner deserving of public trust. The following list is not all-inclusive but is intended to illustrate the minimum expectations for acceptable workplace conduct and performance.
Agencies have the authority to supplement this list as needed in a manner consistent with the needs of the organization and intent of this policy.

Employees who contribute to the success of an agency's mission:

- Report to work as scheduled and seek approval from their supervisors in advance for any changes to the established work schedule, including the use of leave and late or early arrivals and departures.
- Perform assigned duties and responsibilities with the highest degree of public trust.
- Devote full effort to job responsibilities during work hours.
- Maintain the qualifications, certification, licensure, and/or training requirements identified for their positions.
- Demonstrate respect for the agency and toward agency coworkers, supervisors, managers, subordinates, residential clients, students, and customers.
- Use state equipment, time, and resources judiciously and as authorized.
- Support efforts that ensure a safe and healthy work environment.
- Utilize leave and related employee benefits in the manner for which they were intended.
- Resolve work-related issues and disputes in a professional manner and through established business processes.
- Meet or exceed established job performance expectations.
- Make work-related decisions and/or take actions that are in the best interest of the agency.
- Comply with the letter and spirit of all state and agency policies and procedures, the Conflict of Interest Act, and Commonwealth laws and regulations.
- Report circumstances or concerns that may affect satisfactory work performance to management, including any inappropriate (fraudulent, illegal, unethical) activities of other employees.
- Obtain approval from supervisor prior to accepting outside employment.
- Obtain approval from supervisor prior to working overtime, if non-exempt from the Fair Labor Standards Act (FLSA).
- Work cooperatively to achieve work unit and agency goals and objectives.
- Conduct themselves at all times in a manner that supports the mission of their agency and the performance of their duties.

Note: *Non-probationary law enforcement officers employed by the Department of State Police, the Virginia Marine Resources Commission, the Department of Game and Inland Fisheries, the Department of Alcoholic Beverage Control, the Department of Conservation and Recreation, the Department of Motor Vehicle, and the campus police department of any public institution of higher education of the Commonwealth where such department, bureau or force has ten or more law-enforcement officers(policy corrected 1/10/12) also have access to the procedural guidelines of Va. Code § 9.1-500 – 507 in cases of investigation of work-related matters that could lead to the dismissal, demotion, suspension or transfer for punitive reasons of a law-enforcement officer. (This Code section also applies to certain non-covered employees who are law enforcement officers employed by the Division of Capitol Police and the Virginia Port Authority.)*

AUTHORITY

The Director of the Department of Human Resource Management (DHRM) is responsible for the official interpretation of this policy pursuant to the authority provided § 2.2-1201 of the Code of Virginia. DHRM reserves the right to revise or eliminate this policy as necessary.

The Virginia Personnel Act, Code of Virginia § 2.2-2900 et. seq. specifies that agency heads shall be the appointing authorities of their respective agencies and shall establish methods of personnel administration within their agencies.

Agencies may supplement this policy to accommodate specific business needs.
Supplemental policies must be consistent with the provisions of DHRM policy and must be communicated to all agency employees.

Exhibit 20b - Virginia Tax Incident Response Policy

Virginia Tax Incident Response Policy
(Revised 11/8/19)

Virginia Tax takes the protection of federal and state taxpayer information very seriously. Pursuant to Va. Code § 58.1-3 and I.R.C. §§ 6103, 7213, 7213A, and 7431, all taxpayer information must remain confidential and shall only be viewed, processed, or inspected in compliance with state and federal laws.

All employees and contractors shall be notified of incident response procedures prior to gaining physical or logical access to taxpayer information. If any employee or contractor becomes aware of any situation that may involve an unauthorized disclosure or inspection of state or federal tax information, he or she must promptly send an email to Disclosureofficer@tax.virginia.gov or call (804) 404-4029 to reach Virginia Tax's Disclosure Officer directly. The notification should at minimum, include the following information:

1. When the disclosure or inspection occurred;
2. What type of information was disclosed or inspected;
3. Who accessed or received the information without proper authorization;
4. How the disclosure occurred; and
5. Steps you have taken to prevent further disclosure or inspections (*e.g.*, retrieval, containment, etc.)

The Disclosure Officer will record the incident in a tracking log and notify the appropriate parties. If the disclosure or inspection involves Federal Tax Information, the Disclosure Officer will immediately notify the Treasury Inspector General for Tax Administration (TIGTA), the IRS Office of Safeguards, and the IRS Government Liaison.

In cases where unauthorized access, inspection, or disclosure of unencrypted, unredacted, or unsecured data compromises the security or confidentiality of confidential information maintained by Virginia Tax and causes, or Virginia Tax reasonably believes has caused, or will cause, financial hardship, identity theft, or other fraud to any taxpayer, Virginia Tax shall, without unreasonable delay, notify the affected taxpayer(s). If Virginia Tax provides notice to more than 1,000 taxpayers at one time, Virginia Tax shall also notify the Office of the Attorney General and major Credit Reporting Agencies (i.e., Experian, TransUnion, and Equifax) of the timing, distribution, and details of the notice.

Notice to affected taxpayers shall consist of the following information:

1. The nature of the incident in general terms;
2. The type(s) of personal information involved;
3. The general acts taken to retrieve or protect the information;
4. A telephone number that the taxpayer can call for further information; and
5. Advice that directs the taxpayer to remain vigilant by reviewing account statements and monitoring free credit reports.

The Disclosure Officer shall be responsible for testing the incident response procedures at least once annually.

Contact Information:

1. Treasury Inspector General for Tax Administration: (TIGTA) at TIGTA Field Division (215) 861-1003 or TIGTA Hotline (800) 589-3718.
2. IRS Safeguards: SafeguardReports@IRS.gov
3. IRS Government Liaison: Kyle Roberts, kyle.g.roberts@irs.gov , (443) 853-5124 or (202) 746-4232 (cell)
4. Virginia Tax Disclosure Officer: Michael Palmer, Michael.Palmer@tax.virginia.gov, (804) 404-4029
5. Virginia Tax Information Security Officer: Simon Xue, Simon.xue@tax.virginia.gov, (804) 404-4130.

Exhibit 20c – Use of Electronic Communications and Social Media

USE OF ELECTRONIC COMMUNICATIONS AND SOCIAL MEDIA

Policy 1.75 – Use of Electronic Communications and Social Media
Effective Date: 08/01/01
Revision Date: 03/17/11

Application: All state employees, including employees of agencies exempt from coverage of the Virginia Personnel Act. NOTE: Agencies may also require consultants, contract personnel, or other non-employees such as volunteers or interns to abide by this policy.

PURPOSE

The purpose of this policy is to ensure the appropriate, responsible, and safe use of electronic communications and social media by employees. This policy establishes minimum standards for all state employees. Agencies may supplement this policy as necessary, as long as such supplement is consistent with this policy.

POLICY SUMMARY

This policy includes the following:

- Employee Responsibilities and Requirements,
  - Business Use
  - Personal Use
- User Requirements
- Prohibited Activities
- Agency Responsibilities and Requirements
  - Monitor Usage
  - Communication
  - Address Violations
- Glossary and Relevant Terms
- Attachment A

AUTHORITY

This policy is issued by the Department of Human Resource Management (DHRM) pursuant to the authority provided in §2.2-1201 and §2.1-2827 of the Code of Virginia.

DHRM reserves the right to revise or eliminate this policy as necessary. Agencies may supplement this policy to accommodate specific business needs. Supplemental policies must be consistent with the provisions of DHRM policy and must be communicated to all agency employees.

RELATED POLICIES

- Policy 1.60 - Standards of Conduct
- Virginia Information Technologies Agency Information Security Policy, Standards, and Guidelines

- Virginia Information Technologies Agency - Information Technology Standard Use of Non-Commonwealth Computing Devices to Telework
- Virginia Information Technologies Agency - Telework Resources
- Office of Fleet Management Services Policies and Procedures Manual

EMPLOYEE RESPONSIBILITIES AND REQUIREMENTS

All employees must comply with this policy and any additional policies that may be adopted by the agency or institution of the Commonwealth where the user is working.

A. Business Use

Agency provided electronic communications tools are the property of the Commonwealth and are provided to facilitate the effective and efficient conduct of State business. Users are permitted access to the Internet and electronic communications tools to assist in the performance of their jobs. Some users may also be permitted to access and use social media to conduct agency business. Each agency or institution of the Commonwealth may adopt its own policy setting forth with specificity the work-related purposes for which such equipment and access are provided.

B. Personal Use

Personal use means use that is not job-related. In general, incidental and occasional personal use of the Commonwealth's electronic communications tools including the Internet is permitted as long as the personal use does not interfere with the user's productivity or work performance, does not interfere with any other employee's productivity or work performance, and does not adversely affect the efficient operation of the Commonwealth's systems and networks. Personal use of social media that refers to any aspect of the work environment should be done in a responsible and professional manner.

C. User Requirements

1. General Requirements

When using electronic communications tools and social media, users should:

- Follow all applicable Commonwealth policies. Users may not violate any provision of this policy, any supplemental policy adopted by agencies, or any other policy, regulation, law or guideline as set forth by local, State or Federal law (see Code of Virginia §2.2-2827) This may include but is not limited to copyright laws, trademark laws, and other legislated requirements.
- Be responsible and professional in their activities. Employees should conduct themselves in a manner that supports the mission of their agency and the performance of their duties.
- Exercise the appropriate care to protect the agency's electronic communications tools against the introduction of viruses, spyware, malware, or other harmful attacks. When using the Commonwealth's electronic communications tools, social media or Internet access, employees must:
    - Use the Internet, electronic communications tools and social media only in accordance with State and agency policy;
    - Maintain the conditions of security (including safeguarding of passwords) under which they are granted access to such media;

- Check with the appropriate agency staff prior to downloading or accessing a file or document if the source of the file or other circumstances raises doubts about its safety.

- Be respectful of the agency/organization, other employees, customers, vendors, and others when posting and communicating information. Users should be sensitive to referring to or including others in their communications and posts and should be aware of any associated potential liabilities. Users may desire to obtain consent prior to communicating or posting information about the work place.

2. Business Use Requirements
   When using electronic communications tools and social media, users should:
   - Use their accurate identities and state their affiliation when using electronic communications or social media for business purposes.
   - Ensure the security of sensitive or confidential information when communicating electronically or posting the information on internal or external websites including social media.
   - Ensure information is accurate prior to posting on social media sites, state or agency websites, or other electronic media sites. If it is discovered that information is inaccurate after posting, users should work to quickly correct the errors.

3. Personal Use Requirements
   When using electronic communications and social media, users should:
   - Be clear that their communication or posting is personal and is not a communication of the agency or the Commonwealth when using electronic communications or social media for personal use, including personal use of social media outside of the work environment. For example:
     - Users should use their personal email addresses and not those related to their positions with the Commonwealth when communicating or posting information for personal use.
     - Users may use a disclaimer when posting opinions or views for personal use such as, "The views expressed on this (website, blog, social media site) are my own and do not reflect the views of my employer or of the Commonwealth of Virginia." when appropriate to ensure these views are not viewed as official Commonwealth of Virginia communications.

D. Prohibited Activities
   Certain activities are prohibited when using the Commonwealth's Internet and electronic communications media or using social media in reference to the work environment. Employees who engage in prohibited activities may be subject to disciplinary action according to Policy 1.60, Standards of Conduct. Prohibited activities include, but are not limited to:
   - Any use that is in violation of applicable local, state, and federal law.
   - Accessing, uploading, downloading, transmitting, printing, posting, or storing information with sexually explicit content as prohibited by law (see Code of Virginia §2.2-2827).

- Accessing, uploading, downloading, transmitting, printing, posting, or storing fraudulent, threatening, obscene, intimidating, defamatory, harassing, discriminatory, or otherwise unlawful messages or images.
- Installing or downloading computer software, programs, or executable files contrary to the Virginia Information Technology Agency's (VITA) Information Security Policy, Standards, and Guidelines.
- Accessing, uploading, downloading, transmitting, printing, communicating, or posting access-restricted agency information, proprietary agency information, sensitive state data or records, or copyrighted materials in violation of agency or state policy.
- Using proprietary agency information, state data or records, and social media to locate agency customers for personal reasons.
- Posting information or sending electronic communications such as email using another's identity.
- Permitting a non-user to use for purposes of communicating the message of some third party individual or organization.
- Posting photos, videos, or audio recordings taken in the work environment without written consent.
- Using agency or organization logos without written consent.
- Texting, emailing, or using hand-held electronic communications devices while operating a state vehicle according to the Office of Fleet Management Services Policies and Procedures Manual.
- Any other activities designated as prohibited by the agency.

AGENCY RESPONSIBILITIES AND REQUIREMENTS

Agencies have the following responsibilities and requirements related to this policy.

A. Monitor Usage

No user shall have any expectation of privacy in any message, file, image or data created, sent, retrieved, received, or posted in the use of the Commonwealth's equipment and/or access. Agencies have a right to monitor any and all aspects of electronic communications and social media usage. Such monitoring may occur at any time, without notice, and without the user's permission. In addition, except for exemptions under the Act, electronic records may be subject to the Freedom of Information Act (FOIA) and, therefore, available for public distribution.

B. Communication

Agencies are responsible for ensuring employees have access to, read, understand, and acknowledge this policy and any related policies. Agencies may develop a written policy, consistent with this policy which supplements or clarifies specific issues for the agency. With regard to use of electronic communications and social media, agencies are responsible for:

- Communicating this policy and agency policy, if appropriate, to current and new users, including users transferring from other agencies.
- Retaining electronic records in accordance with the retention requirements of the Library of Virginia.
- Requiring and retaining acknowledgement statements, signed by each user, acknowledging receipt of a copy of this policy and agency policy, if appropriate. A sample is attached (Attachment A) that agencies may use, or they may include the acknowledgement statement with other such statements obtained when employees are hired.

  NOTE: Agencies also may develop procedures by which a user must actively

acknowledge reading the policy before access to electronic communications and social media will be granted.

C. Address Violations

Violations of this policy must be addressed under Policy 1.60, Standards of Conduct, or appropriate disciplinary policy or procedures for employees not covered by the Virginia Personnel Act. The appropriate level of disciplinary action will be determined on a case-by-case basis by the agency head or designee, with sanctions up to or including termination depending on the severity of the offense, consistent with Policy 1.60 or the appropriate applicable policy.

GLOSSARY AND RELEVANT TERMS

Blog – A contraction of "web log" that is a website or part of a website with commentary, descriptions of events, or journal type entries usually with an ability for readers to reply and post comments.
Computer Network – Two or more computers that can share information, typically connected by cable, data line, or satellite link.
Crowdsourcing – An open call, usually through an Internet based resource, to an undefined community of people to obtain and use ideas, content, or solutions to business needs.
Electronic Communications Tools – Tools used as a means of sending and receiving messages or information electronically through connected electronic systems or the Internet. Tools may include networked computers, email, voicemail, cell phones, smart phones, any other similar system, and new technologies as they are developed.
Internet – An international network of independent computer systems. The World Wide Web is one of the most recognized means of using the Internet.
Microblog – A form of a blog in which frequent, short updates are posted about specific activities (e.g., Twitter).
Photo Sharing – The online publishing of photographs with the ability to transfer and share the photos with others.
Podcast – Digital media file that can be downloaded for playback to computers and personal digital devices.
Social Media – Form of online communication or publication that allows for multi-directional interaction. Social media includes, blogs, wikis, podcasts, social networks, photograph and video hosting websites, crowdsourcing, and new technologies as they evolve.
Social Networking – Interacting with a group of people with common interests in a virtual environment.
Users – All employees of the Commonwealth who use the Commonwealth's Internet access and/or electronic communications media or external electronic communications media to communicate about the Commonwealth's activities.
NOTE: Agencies may also require consultants, contract personnel, or other non-employees such as volunteers or interns to abide by this policy.
Video Sharing – The online publishing of videos with the ability to transfer and share them with others.
Wikis – A collaborative website that allows users to edit materials and information posted and to create collaborative solutions for identified topics.

ATTACHMENT A

Use of Electronic Communications and Social Media

CERTIFICATE OF RECEIPT

I have been given a copy of Department of Human Resource Management Policy 1.75, "Use of Electronic Communications and Social Media" and I understand that it is my responsibility to read and abide by this policy, even if I do not agree with it. If I have any questions about the policy, I understand that I need to ask my supervisor or the agency/institution Human Resource Officer for clarification.

I understand that no user shall have any expectation of privacy in any message, file, image or data created, sent, retrieved, received, or posted in the use of the Commonwealth's equipment and/or access. Agencies have a right to monitor any and all aspects of electronic communications and social media usage. Such monitoring may occur at any time, without notice, and without the user's permission.

In addition, except for exemptions under the Act, electronic records may be subject to the Freedom of Information Act (FOIA) and, therefore, available for public distribution.

If I refuse to sign this certificate of receipt, my supervisor will review this statement with me and will be asked to initial this form indicating that a copy has been given to me and that this statement has been read to me.

Employee's Name: _____

Employee Number: _____

Signature: _____

Date: _____

Exhibit 20d - Safeguarding Taxpayer Information Overview

Safeguarding Taxpayer Information Overview

I. Introduction.

Virginia Department of Taxation ("Virginia Tax") takes the protection of tax information seriously. Taxpayer information cannot be inspected or disclosed except as authorized by law. Each year, you must certify that you understand your duties and responsibilities regarding the use of taxpayer information.

II. Rules and Regulations.

Each employee and contractor must acknowledge his or her obligation to safeguard confidential taxpayer information. Misuse of taxpayer information can result in imprisonment or fines pursuant to Va. Code § 58.1-3 and I.R.C. §§ 6103, 7213, 7213A, and 7431.

III. General Security and Safeguarding Reminders.

a) Inspecting or disclosing confidential taxpayer information must be for a job-related "need to know."
b) The Safeguarding and Disclosure staff conduct home inspections for employees who telework and home-based employees. You will receive 24-hour notice prior to an inspection unless special circumstances warrant a shorter notice (e.g., request from manager, indicia of misuse of data, notification from a third party, etc.)
c) Most documents that you create or have access to while at Virginia Tax belong to the agency. You cannot take Virginia Tax documents that contain confidential or proprietary information with you to job interviews or similar settings without prior approval from the Disclosure Officer.
d) If you receive a request related to the Freedom of Information Act (FOIA), a subpoena, or search warrant for records, you must contact the Disclosure Officer. If you receive a data request from an agency, locality, or other third party, you must contact the Disclosure Officer.
e) You should contact the Disclosure Officer prior to entering into or modifying a contract involving taxpayer information to ensure compliance with state and federal laws. Federal contracts require 45-day notice to the IRS.
f) All modifications to an employees or contractor's physical or electronic access to information should be timely submitted using the Sailpoint process. Managers and supervisors are also responsible for verifying, updating, and signing the quarterly Access to Federal Tax Information Report.
g) Lock your screen and secure taxpayer information when you are away from your desk.
h) You must wear your ID badge at all times. Swipe your badge each time you enter an area with a badge reader.
i) Before you send an email message or fax, verify that you have listed the correct recipients. Encrypt email messages that contain confidential taxpayer information.
j) Do not share your password(s) with anyone.

Chapter 21

Teleworking

Since the closure of district offices, all field collections staff are home based. Virginia Tax has established Teleworking Policy, Exhibit 21a, for guidelines on working in a home based or telework environment. The current Teleworking Policy, along with current Telework Agreements can be found on Virginia Tax under the Teleworking link. Each home based or telework Field Agent must complete and sign a Telework Agreement, Exhibit 21b.

All home based or telework Field Agents are subject to a Safeguarding Inspection by Disclosure staff member(s) of their office space with a 24 hour notice unless special circumstances warrant a shorter notice.

Exhibit 21a – Teleworking Policy

Virginia Tax

Teleworking Policy

Policy

It is the policy of Virginia Tax to support flexible work arrangements that promote general work efficiencies in carrying out the Agency mission. Flexible work arrangements such as alternate work schedules or telework are intended to benefit both the employee and Virginia Tax. Agency management has the responsibility of ensuring that business needs can be met when approving flexible work arrangements and may terminate those arrangements at any time.

Purpose

To promote flexible work arrangements such as alternate work schedules or telework as a means of achieving administrative efficiencies (e.g., reducing office and parking space); reducing traffic congestion, transportation costs, and the impact of commuting on the environment; supporting Continuity of Operations Plans; and sustaining the hiring and retention of a highly qualified workforce by enhancing work/life balance.

Application

This policy applies to classified, probationary, hourly, and "at-will" employees. This policy also applies to contract workers and temporary agency workers.

Authority & Interpretation

Authority for this policy rests with the Tax Commissioner but interpretation is delegated to the Director of Human Resources. Responsibility for ensuring adherence to this Policy is assigned to all managerial and supervisory staff, as well as Human Resources staff. Questions regarding the application of this policy should be directed to the Human Resources Office.

General Provisions for Alternate Work Schedules

Management reserves the right to establish and adjust the work schedules of employees in the agency, being mindful of the hours of public need. Management may adjust an employee's work schedule temporarily within a workweek to avoid overtime liability or to meet operational needs. At management's discretion, an employee's schedule may be adjusted to meet the employee's personal needs. A Flex Work Agreement must be completed with details of the alternate work schedule pattern. Employees are expected to:

- Adhere to their assigned work schedules;
- Take breaks and lunches as authorized;
- Notify management as soon as possible if they are unable to adhere to their schedules, such as late arrivals or early departures; and
- Work overtime hours when required by management.

General Provisions for Telework

Telework assignments do not change the conditions of employment or the employee's required compliance with all state and Virginia Tax policies, practices, and guidelines. Telework should not

adversely affect the performance of the teleworker or their co-workers. A teleworker must notify their supervisor immediately of any situation that interferes with their ability to perform their job. Supervisors may temporarily alter scheduled telework days based on business needs. Any change of scheduled telework exceeding 90 days will be considered a permanent change and will require a new Flex Work Agreement.
Teleworkers must provide a diagram or photo of their home office. Copies may be made available to Virginia Tax's safeguard team to perform or complete inspections. Any change of alternate work location requires an updated Flex Work Agreement, along with an updated diagram or photo of the home office.

Any employee request to move outside of Virginia and remain employed with the agency as a teleworker must be approved in advance by the employee's Assistant Commissioner, the HR Director, and the Tax Commissioner. Any request from a full-time teleworker or mobile worker to move more than 50 miles from the employee's current approved work location must be approved in advance by the employee's Assistant Commissioner, the HR Director, and the Tax Commissioner. All approvals will be in the form of a written agreement between the Agency and the employee to specify terms applicable to the new work location.

Virginia Tax management may conduct inspections of the alternate work location to ensure compliance with agency policies. Additionally, supervisors may meet with employees in their alternate work location as a normal course of managing work performance, to include coaching and development. Advance notice of at least 24 hours will be provided if possible. An employee's workspace in an alternate work location must provide reasonable protections against inadvertent verbal or visual disclosure of sensitive information.

Eligibility for Telework

Employee initiated telework is not an entitlement, but rather a management option where such arrangements support the agency's business needs. Management has sole discretion to designate positions for telework and supervisors are expected to consider work performance in determining eligibility. Virginia Tax supports telework for employees with job duties that lend themselves to this arrangement provided certain requirements are met. Not all positions lend themselves to telework arrangements.

A Flex Work Agreement is required for both Employee Initiated Telework and Business Mandated Telework. Employees must sign the Flex Work Agreement and comply with conditions set forth prior to teleworking. Supervisors must agree to the terms of the Flex Work Agreement before employees are permitted to work at an alternate work location. Virginia Tax may require an employee to telework as a condition of employment. In such cases, this requirement will be included in the job announcement in the Recruitment Management System (RMS) and in the Employee Work Profile (EWP).

Suitability of Work & Characteristics for Telework

The nature of the work should be suitable for telework. Suitability for telework depends on job content, rather than job role, title, or work schedule. Telework is best suited for employee who are organized, highly disciplined, and conscientious self-starters requiring minimal supervision. Employees should achieve and maintain a performance rating of contributor or higher to qualify for telework.

Compensation & Benefits

In general, an employee's compensation as required by the Fair Labor Standards Act (FLSA), Virginia Tax policies and pay practices, and benefits will not change when teleworking or as a result of telework arrangements.

Work Hours & Expectations

The total number of hours that employees are expected to work will not change, regardless of their work location. Previously designated work schedules may be modified as necessary provided management agrees. In addition, any telework schedule may be adjusted as business needs dictate. Telework may help facilitate solutions for some employees who have other responsibilities, but employees must make arrangements that will not interfere with work obligations. Telework is not intended to serve as a substitute for child or adult care. If children or adults in need of direct supervision or care are in the alternate work location during employees' work hours, some other individual must be present to provide the supervision or care.

Supervisors must ensure that procedures are in place to document the work hours of teleworkers, ensuring compliance with the Fair Labor Standards Act. Prior management approval to work overtime is required; failure to obtain this approval may be addressed under the Standards of Conduct (DHRM Policy 1.60). FLSA and Virginia Tax policies and pay practices for overtime apply to telework.

Supervisors may require employees to report to a central workplace as needed for work-related meetings or other events and may meet with employees in their alternate work location as needed to discuss work progress or other work related issues. Employees who telework are expected to:

- Comply with the agency's Clean Desk Policy, Acceptable Use Policy, and Minimum Home Wireless Network Requirements;
- Follow the policies and procedures established by their supervisor for tracking time, requesting time off and approval of time off;
- Follow Virginia Tax procedures for reporting sick or disability situations;
- Participate in staff meetings, progress review meetings, or other business-related meetings at their alternate work location and/or central office; and
- Agree to apply themselves to their work during work hours.

Use of Leave

Telework is not intended to be used in place of sick leave (DHRM Policy 4.55), Family and Medical Leave (DHRM Policy 4.20), leave used under the Virginia Sickness and Disability Program (DHRM Policy 4.57), Workers' Compensation leave (DHRM Policy 4.60), or other types of leave. However, management in conjunction with Human Resources may determine if it is appropriate to offer telework as an opportunity for partial or full return to work from traditional sick leave, short-term disability, or long-term disability. The criteria normally applied to decisions regarding the approval of telework will apply.

Central Work Location Inclement Weather/Emergency Closing

During an emergency closing, teleworkers are expected to perform their duties on their assigned telework day unless they are prevented from accomplishing work because of the same emergency condition that caused the central office to close (e.g., power outage).

Teleworkers who experience an emergency that has not affected their central office must contact their supervisor. Teleworkers may be directed to report to the central office or another alternate worksite to

complete their workday or use leave. Although a variety of circumstances may affect individual situations, Virginia Tax policies and practices for appropriate leave usage remain the same in an emergency closing; however, situations will be considered on an individual basis determined by job duties and expectations.

Workers' Compensation Liability

Employees are covered under the Virginia Workers' Compensation Act and may be covered for injuries suffered, arising out of and in the course of performing official duties at the alternate work location or central workplace during the set work hours. Employees are responsible for immediately reporting to their supervisor, any accident or injury suffered, arising out of and in the course of performing official duties at the alternate work location, during the set work hours. Employees must also allow their supervisor (or designee) to visit the alternate work location immediately after any accident or injury while working has occurred, if necessary.

Supervisor Responsibility

Work performed at alternate work locations is considered official state business. The duties, performance, and work expectations should be fully discussed with employees prior to implementing any telework arrangement. The supervisor will monitor productivity and deadlines to measure and evaluate the employee's job performance when teleworking, in accordance with established performance management policies and procedures. The supervisor must clearly communicate procedures to track and document hours worked by non-exempt employees covered under the Fair Labor Standards Act.

Use of Equipment, Supplies, & Data

Employees must agree to follow agency security procedures in order to ensure confidentiality and security of data. Removal of confidential documents requires prior supervisory approval; failure to obtain this approval may be addressed under the Standards of Conduct.
Employees working at alternate work locations are responsible for:

- Security and confidentiality of any information, documents, records, or equipment in their possession.
- Protecting Virginia Tax owned or issued equipment from theft, damage, and unauthorized use.
- Immediately reporting any information, documents, or equipment that has been lost or damaged to their supervisor.

In the event that equipment becomes temporarily inoperable or the employee is unable to perform job duties at the alternate work location, the employee and their supervisor should reach an agreement of whether other work assignments can be performed without relying on the equipment or if the employee should report to the central workplace or other work location.

Telecommunication

Various telecommunication devices may be provided as needed for the efficient operation of the teleworker. If devices such as a cell phone or iPad are provided, users must comply with the Acceptable Use Policy. (See Virginia Tax's Acceptable Use Policy)

State-Owned Equipment Authorized Use & Maintenance

Authorized employees are responsible for protecting state-owned equipment from damage and unauthorized use. State-owned equipment used in the normal course of employment will be maintained, serviced and repaired by VITA or VITA's authorized leasing agent. Full-time Teleworkers and

Mobile workers will complete Attachment A of the Flex Work Agreement, which lists equipment, date issued, and VITA Tag Number. Before signing, the employee must verify the information on Attachment A matches the equipment issued to them.

Internet Access & Services

Employees must provide their own internet access to perform work at their alternate work location. Employees will typically be responsible for any costs associated with internet usage, including equipment maintenance. Virginia Tax will not assume responsibility for the cost of equipment not provided by the agency, or for its repair, service, home maintenance or any other incidental cost (e.g., utilities), associated with its use at the alternate work location. Full-time teleworkers and mobile workers are required to demonstrate that their internet service meets the minimum internet speed standards for their work unit.

Termination of Agreement/Inter Agency Transfers

Virginia Tax may terminate a Flex Work Agreement at its discretion. Advance notice of terminating the Flex Work Agreement is not required; however, in most circumstances advance notice will be given. Employees may terminate the Flex Work Agreement at their discretion, preferably providing two weeks' notice. This does not apply in the case of business mandated telework. Flex Work Agreements are specific to the employee's position and office. Employees who transfer to different positions within Virginia Tax will need to complete a new Flex Work Agreement, provided the needs of the new position and office allow for continued flex work.

Reference

- Department of Human Resource Management Policy #1.60 Standards of Conduct
- Department of Human Resource Management Policy #1.61 Teleworking
- Department of Human Resource Management Policy #4.20 Family and Medical Leave
- Department of Human Resource Management Policy #4.55 Sick Leave
- Department of Human Resource Management Policy #4.57 Virginia Sickness and Disability Program
- Department of Human Resource Management Policy #4.60 Workers' Compensation
- Virginia Tax Acceptable Use Policy
- Virginia Tax Clean Desk Policy
- Virginia Tax Minimum Home Wireless Network Requirements

Glossary

- **Alternate Work Location:** Approved work sites other than the employee's central workplace where official state business is performed. Such locations may include, but are not necessarily limited to, employees' homes and satellite offices.
- **Alternate Work Schedule:** Defined as those that differ from the standard 40 hour (five 8-hour days) workweek (e.g., four 10-hour days per week).
- **Central Workplace:** An employee's work headquarters or official duty station.
- **Flex Work Agreement:** Virginia Tax's written agreement with the employee that details the terms and conditions of the employee's alternate work arrangement.
- **Full-Time Teleworker**: An employee who, under written agreement with Virginia Tax, teleworks all or a clear majority of their planned schedule from a defined and agreed upon alternate worksite.

- **Hybrid Teleworker:** An employee who, under written agreement with Virginia Tax, teleworks one day per week on a consistent and regular basis.
- **Limited Teleworker:** An employee who, under written agreement with Virginia Tax, teleworks on a limited, sporadic, or task driven basis.
- **Mobile Worker:** An employee who works a majority of their planned schedule in a mobile mode away from the agency's offices/facilities in the "field" (e.g., Collectors/Auditors). A mobile worker is not generally considered a teleworker due to field/remote location but is still governed by the Virginia Tax Flex Work Policy.
- **Office/Facility Worker:** An office based employee who reports to and works from a defined central agency workplace (e.g., MSC/Westmoreland).
- **Telework:** A work arrangement where supervisors direct or permit employees to perform their usual job duties at an alternate work location, in accordance with the same performance expectations and other Virginia Tax approved or agreed-upon terms.
    - **Employee Initiated Telework:** A work arrangement where employees request to telework and management approves where such arrangements support the agency's business needs.
    - **Business Mandated Telework:** A work arrangement either where the business needs mandate telework for all or part of the workweek as a condition of employment or if there is a business necessity for doing so.
- **Teleworker:** An employee who, under written agreement with Virginia Tax, performs their usual job duties in an alternate work location with or without a specific telework schedule.
- **Work Schedule:** The employee's designated hours of work regardless of work location.

Exhibit 21b – Flex Work Agreement

Virginia Tax

Flex Work Agreement

The terms of this Flex Work Agreement must be read in conjunction with the Flex Work Policy and other related policies. Signatories certify they will abide by the terms of this agreement, all applicable policies, and all agreement specific terms established by Virginia Tax.

1. Work Location Safety

- Employee will verify the safety of an alternate worksite using the safety checklist in Section II of this agreement.
- Employee is covered by the Commonwealth's Workers' Compensation Program and/or the Virginia Sickness and Disability Program (VSDP) as appropriate, if injured while performing official duties at the alternate location.
- Employee agrees to bring to the immediate attention of his/her supervisor any accident or injury that occurs while working at the alternate work location.
- Agency management will investigate all accident and injury reports immediately, following notification.
- Virginia Tax reserves the right to inspect the alternate work location, with or without advance notice, to ensure safety standards are met.

2. Confidentiality and Information Security

- Employee will apply approved safeguards, in accordance with agency policy, to protect taxpayer records from unauthorized disclosure, damage, or theft, and will comply with all records and data privacy requirements set forth in state law, Virginia Tax policy, and state policy.
- Employee will conduct work at the alternate work location in compliance with all information security standards.
- Employee agrees to inspections of alternate work location to ensure compliance with agency polices.
- Employee agrees to not store any business-related documents or data on any non-agency computer asset.
- Employee will ensure compliance with the agency's Clean Desk Policy, Acceptable Use Policy, and Minimum Home Wireless Network Requirements.
- Employee agrees provide a diagram or photo of home office or workspace in their alternate work location.

3. Work Standards and Performance

- Employee will meet with their supervisor to receive work assignments and to review completed work, as the supervisor deems necessary or appropriate.
- Supervisor may meet with home-based employee in their alternate work location as a normal course of managing work performance.
- Employee may be required to return to the Virginia Tax central work location on scheduled telework days or adjust alternate work schedule based on operational requirements.
- Employee will complete all assigned work according to procedures mutually agreed upon by the employee and the supervisor, and according to guidelines and expectations as stated in the employee's work profile and performance plan.
- Supervisor will regularly evaluate and provide feedback on the employee's job performance as defined in the employee's work profile and performance plan.
- Employee agrees to perform their assigned duties at the approved alternate work location(s) and at work times as defined in this agreement unless they request and receive explicit approval in advance from their supervisor. Failure to comply with this provision may result in termination of this agreement and/or appropriate disciplinary action.
- If children or adults requiring dependent care are in the alternate work location during normal work hours, employee is expected to have dependent care arrangements in place to ensure acceptable work performance.

4. Compensation and Benefits

- All pay/salary rates, leave/retirement benefits, and travel reimbursements will apply as if the employee performed all work at the employee's established central work location.
- A non-exempt employee who teleworks approved overtime at the direction of a supervisor will be compensated in accordance with applicable law and state policy.
- A non-exempt employee must obtain supervisory approval in advance before working overtime. Employee agrees that failing to obtain proper and advanced approval for overtime may result in disciplinary action.
- Employee must obtain supervisory approval in advance before taking leave in accordance with established office procedures. By signing this agreement, the employee agrees to follow established procedures for requesting and obtaining approval of leave.

5. Equipment and Expenses

- Employee agrees to protect agency equipment in accordance with established guidelines. State-owned equipment will be serviced and maintained by Virginia Tax, VITA, or a VITA authorized agent.
- Employee agrees to provide internet access to perform work at his/her alternate work location and is responsible for costs associated with service and maintenance.
- Neither Virginia Tax nor the state will be liable for damages to an employee's personal and/or real property during the performance of assigned work or while using state equipment in the employee's residence.
- Neither Virginia Tax nor the state will be responsible for operating costs, home maintenance, or any other incidental costs (e.g., utilities) associated with the use of the employee's residence.

6. Initiation and Termination of Agreement

- Virginia Tax and employee understand that flex work shall be governed by the same state human resource policies as those applicable to employees at the central workplace except as modified by this agreement.
- Virginia Tax concurs with employee participation and both management and employee agree to adhere to applicable guidelines and policies.
- Employee may terminate this agreement at any time unless telework is a condition of employment. Two weeks' notice is recommended and should be provided when possible.
- Virginia Tax may modify or terminate this agreement at any time. Agreement may be terminated for reasons to include, but are not limited to, declining work performance or organizational benefit.

7. Other Terms and Conditions

- Any change to information contained in Section I of this agreement requires completion of a new agreement.

*Agreement should be reviewed annually

Section I – This document constitutes the terms of the Flex Work Agreement with the Department of Taxation and:	
1. Employee Name	**2. Employee ID**
3. Employee Work Title	**4. Office/Unit**
Section I (a) TELEWORK To be completed by employee who works in an alternate work location	
5. Alternate Work Location Address	**6. Alternate Work Location Telephone Number (Include Area Code)**
7. Telework Arrangement Category (Select One)	
☐ **Full-Time Teleworker:** An employee who teleworks all or a clear majority of their planned schedule from a defined and agreed upon alternate worksite. (Complete Attachment A)	☐ **Hybrid Teleworker:** An employee who teleworks one day per week on a consistent and regular basis. **Document the normal day and hours the employee will telework each week.** DAY: Select a day TIME: AM PM
☐ **Mobile Worker:** An employee who works a majority of their planned schedule in a mobile mode away from the agency offices/facilities out in the "field" (e.g., Collectors/Auditors), generally not considered a teleworker due to field/remote location. (Complete Attachment A)	☐ **Limited Teleworker:** An employee who teleworks on a limited, sporadic, or task driven basis.
8. Continuity of Operations for "Emergency Closing" Status	**9. Confidentiality & Information Security**
☐ I understand I am expected to perform my duties on my assigned telework day unless I am prevented from accomplishing work because of the same emergency condition that caused the central office to close (e.g., power outage).	☐ I certify that I will apply approved safeguards to protect taxpayer records from unauthorized disclosure, damage, or theft, and will comply with all records and data privacy requirements in my alternate work location. ☐ I agree to submit a **diagram or photo** of my home office/workspace and a brief written description, along with this Flex Work Agreement.

Section I (b) ALTERNATE WORK SCHEDULE To be completed by employee who works an alternate work schedule

☐ **Alternate Work Schedule:** Defined as those that differ from the standard 40 hour (five 8-hour days) workweek (e.g., four 10-hour days per week). **Document the days and hours below. Supervisor must approve any deviation in days or hours prior to deviation.**

Alternate Schedule

	Monday	Tuesday	Wednesday	Thursday	Friday
Work Hours	to	to	to	to	to
Lunch Break (Minutes)					
Total Hours Worked					

Additional Comments (optional):

Signatures (Electronic signatures are acceptable)

Employee Signature and Date

Supervisor Signature and Date

Reviewer Signature and Date

Section II – Safety Checklist Safety Feature Verified at Alternate Work Location Listed Above	No	Yes
1. Temperature, ventilation, lighting, and noise level are adequate for maintaining a work location.	☐	☐
2. Electrical equipment is free of recognized hazards that would cause physical harm (frayed, exposed, or loose wires; loose fixtures, bare conductors; etc.).	☐	☐
3. Electrical system allows for grounding of electrical equipment (three prong receptacles).	☐	☐
4. Alternate work location is free of any obstructions that could restrict visibility and movement (including doorways).	☐	☐
5. File cabinets and storage closets are arranged so drawers and doors do not enter into walkways.	☐	☐
6. Phone lines, electrical cords, and surge protectors are secured under a desk or alongside a baseboard.	☐	☐
7. If materials containing asbestos are present, they are in good condition.	☐	☐
8. Work location space is free of excessive amounts of combustibles, floors are in good repair, and carpets are well secured.	☐	☐
I verify that that safety checklist is accurate and that my alternate work location is a reasonably safe place to work.		
Employee Signature	**Date**	

Flex Work Agreement
Attachment A – Equipment Issued

(Full-time Teleworkers & Mobile Workers ONLY)

Item	Issue Date	VITA Tag Number
☐ Computer		
☐ Monitor		
☐ Docking Station		
☐ Keyboard/Mouse		N/A
☐ Fax Machine		
☐ Telephone		
☐ iPhone		
☐ Chair		
☐ File Cabinet		
☐ Printer		
☐ Scanner		
☐ Other (Specify)		
☐ Other (Specify)		
☐ Other (Specify)		
☐ Other (Specify)		

By signing, I acknowledge I have received all equipment above and verify the VITA Tag Numbers are correct.

_____

Employee Signature and Date

_____

Supervisor Signature and Date

Virginia Department of Taxation
Telework Agreement

Attachment D

The following constitutes an agreement on the terms and conditions of teleworking between TAX and the employee:

Employee Name: _____ Job Title: _____

Office / Unit: _____ Supervisor / Manager: _____

☐ Employee agrees to participate in teleworking and to adhere to applicable guidelines and policies.

☐ A copy of the TAX Teleworking Policy has been given to the employee.

WORK LOCATION / SCHEDULE

Employee's alternate work location address: _____

_____

Employee's phone number: _____
(alternate work location)

Commute Miles saved each teleworking day: _____ (both ways)

Commute Time saved each teleworking day: _____ (both ways)

At the alternate work location, employee's work hours will normally be :
Start Time: _____ End Time: _____

Comments: _____

on the following days ☐ Monday ☐ Tuesday ☐ Wednesday ☐ Thursday ☐ Friday

Note: Teleworking schedule may be adjusted as business needs dictate.

Supervisor will maintain a copy of employee's work schedule, and employee's time and attendance will be tracked in the same manner as time and attendance is tracked at the central workplace.

COMPENSATION/BENEFITS

☐ Salary rates, leave accrual rates, and travel entitlements are not impacted by this agreement.

☐ Employee understands that the supervisor must approve overtime work in advance. By signing this form, employee agrees that failing to obtain proper approval for overtime work may result in his/her removal from teleworking and/or appropriate action.

☐ Employee must obtain supervisory approval before taking leave in accordance with established office procedures. By signing this form, employee agrees to follow established procedures for requesting and obtaining approval of leave.

Employee's Initials _____

WORK STANDARDS/PERFORMANCE

- ☐ Employee will meet with the supervisor to receive assignments and to review completed work as necessary or appropriate.
- ☐ Employee will complete all assigned work according to work procedures mutually agreed upon by the employee and the supervisor, and according to guidelines and expectations stated in the employee's performance plan.
- ☐ Employee agrees to perform his/her assigned duties at the agency-approved alternate work location. Failure to comply with this provision may result in loss of pay, termination of the telework agreement, and/or appropriate disciplinary action.

EQUIPMENT/EXPENSES

- ☐ Employee who uses agency equipment agrees to protect such equipment in accordance with agency guidelines. State-owned equipment will be serviced and maintained by the state.
- ☐ If employee provides equipment, he/she is responsible for servicing and maintaining it. Access to TAX systems must be through an approved system security channel.
- ☐ Neither the agency nor the state will be liable for damages to an employee's personal or real property during the course of performance of official duties or while using state equipment in the employee's residence.
- ☐ Neither the agency nor the state will be responsible for operating costs, home maintenance, or any other incidental costs (e.g., utilities) associated with the use of the employee's residence as an alternate work location.

SAFETY

- ☐ Employee is covered by the appropriate provisions of the Commonwealth's Workers' Compensation Program or the Virginia Sickness and Disability Program (VSDP), as appropriate, if injured while performing official duties at the central workplace or alternate work location.
- ☐ Employee agrees that the alternate work location is safe and free from hazards. Please note any possible safety concerns:
- ☐ Employee agrees to bring to the immediate attention of his/her supervisor any accident or injury occurring at the alternate work location while working and to allow their supervisor to visit the alternate work location immediately after an accident has occurred if necessary.

Employee's Initials _____

CONFIDENTIALITY/SECURITY

- ☐ If using a home PC or wireless broadband for access for a home or Tax owned PC, employees must use Citrix Secure Gateway.
- ☐ Please ensure that at a minimum all personal computers have anti-virus (i.e. McAfee, Norton, and Trend Micro) installed before connecting through Citrix Secure Gateway and that all updates and patches are installed regularly. Please note that additional security such as anti-spyware (i.e. Windows Defender, Spybot S&D, and Spy Sweeper) and personal firewall software (ie. Symantec Personal Firewall 2006, McAfee Firewall, and Zone Alarm/Check Point Integrity) will provide the ideal configuration.
- ☐ Do not use portable devices such as USB flash drives, Palm devices, floppy disks, CDs, and DVDs to transport data since they are not encrypted and could put the agency at risk if sensitive data is lost.
- ☐ Employee agrees not to store any business related documents or data on your home PC.
- ☐ When using home PCs, do not utilize personal email accounts to transport business related data as email is not secure.
- ☐ Be cognizant of the agency's Remote Access Policy, along with the Confidentiality and Unauthorized Disclosure Policy while working remotely and using personal and agency equipment.
- ☐ To avoid unauthorized access, please adopt agency security best practices such as screen saver passwords and automatic locking of your machine when idle or away from your workstation.
- ☐ Report any unauthorized access or theft of Tax sensitive data to the agency Information Security Officer and your Manager.

INITIATION AND TERMINATION OF AGREEMENT

- ☐ Employee agrees to adhere to applicable guidelines and policies.
- ☐ Employee may terminate participation in teleworking at any time unless it was a condition of employment. Two weeks notice to the agency is recommended.
- ☐ Agency may terminate employee's participation in teleworking at any time. Employees may be withdrawn for reasons to include, but not limited to, declining performance and organizational benefit. Two weeks notice to the employee is recommended when feasible, but is not required.

Employee's Initials _____

Chapter 22

Travel

Travel within and outside of the Field Agent's assigned territory is part of routine job activity. The Commonwealth of Virginia will reimburse Field Agents traveling on official State business for reasonable and necessary expenses incurred.

Travel Time

Field Agent employees will commence work in the home office at the beginning of the regular work shift or leave for the first assignment of the day no later than thirty minutes before the beginning of the regular work shift. The workday will end at a time, which, allowing for travel will permit the employee to arrive at home thirty minutes after the end of their regular work shift.

If living outside the assigned boundary, an employee should leave home to arrive at the boundary no later than thirty minutes before the regular work shift. The workday will end at a time that, allowing for travel, will permit the employee to arrive at home thirty minutes after the end of the regular work shift. For purposes of this policy, assigned boundaries include both district boundaries and assigned work area within the district boundaries. Employees who live outside the boundary will be reimbursed for work related travel to the local Post Office, other mail facility and financial institution.

Travel within an Assigned Territory and District

During the course of routine job activity, the Field Agent often travels within their assigned territory or district. The distance of travel from the base point varies, but normally does not require overnight travel. Base point is defined as the place, office, or building where the employee performs their duties on a routine basis. For many Field Agents, the base point is their home.

Travel Estimate

Field Agents must prepare an estimate of the total cost of any proposed overnight travel expected to exceed $500.00. A Travel Estimate Form must be submitted by the Field Agent and approved by an appropriate member of management prior to travel, Exhibit 22a. The agency may determine the appropriate member of management at its discretion. To ensure adequate planning (identification of costs and exceptions), the requirement to prepare a cost estimate for overnight travel expected to exceed $500.00 also applies to agency heads and cabinet.

Total costs include lodging, transportation, meals, conference registration, and other travel costs or course fees. Costs of the trip that may be direct billed, such as lodging or conference registrations, must also be included in the cost estimate. The estimate must accompany both the Travel Reimbursement Voucher and any applicable direct-billed Vendor Payment Vouchers. For planned travel, the Field Agent must be able to demonstrate, with documentation, that a reasonable effort was made to secure the most cost beneficial means of travel for the Commonwealth. The Travel Reimbursement Voucher is also available in the Virginia Tax Toolbox Forms Library/Office of Administration- Fiscal Division.

To ensure compliance with travel guidelines issued by the Department of Accounts, the following should be conducted when traveling over 200 miles per day for normal field activity or 100 miles per day when attending a scheduled meeting:

- If the Field Agent has been assigned a state owned vehicle the state owned vehicle should be used for travel (Chapter 23, State Vehicles).
- If the Field Agent does not have a state owned vehicle, they should contact Sandy Baker to see if a state owned vehicle is available.
- If a state owned vehicle is not available, the Field Agent should complete the Department of General Service's (DGS) trip calculator to determine if it is cheaper to use an Enterprise rental automobile or the Field Agent's personal vehicle. The Field Agent should use the cheaper of the two options, Enterprise rental or personal vehicle.

Note: If the Field Agent elects to drive their personal vehicle when a state owned vehicle is available or when it is cheaper to use an Enterprise rental automobile, they will be reimbursed at the lower mileage rate.

Reimbursement for Expenses

Although not all-inclusive, the following information is required for expense reimbursement and must be submitted with the Travel Expense Reimbursement Voucher, Exhibit 22b.
Employee Identification Number
Department, Agency (top block)

- Last name, first name and address of Field Agent
- Personal vehicle statement (Must check one box if personal vehicle used for travel.)
- Check box confirming state employee status
- Dates of travel, including departure and arrival times
- Initial area confirming computations are correct and all receipts attached.
- Authorization Approvals, normally, immediate Supervisor.
- Exception Approvals (Must be received in advance of travel.)
- Reason for travel
- Hard-copy confirmations of expenses if online methods were used to procure services (airline tickets, rental automobiles)
- Itemized receipt for lodging
- Receipt for registration fees, parking, taxi, metro
- Original electronic signature of Field Agent
- Original electronic initials certifying computations are correct
- Scan copies of receipts to an additional page

The Field Agent must keep receipts and accurate records to ensure correct reporting and submission of travel reimbursements. Travel reimbursements will not be made from travel charge card statements. Expenses for each day must be shown separately on the voucher. The Field Agent must submit the Travel Expense Reimbursement Voucher via email to the Supervisor within three working days of the last day of travel for which reimbursement is requested. Vouchers showing overnight travel must be submitted within five days of completion of overnight travel.

By signing the travel reimbursement request (electronic signature is accepted), the Field Agent is certifying the accuracy of all information and the legitimacy of the travel. The signature of the Field Agent's Supervisor certifies that they agree that the travel was necessary and the requested reimbursements are proper.

Exhibit 22a - Travel Estimate Form

Travel Estimate Form

Office _____
Employee _____
Travel Destination _____
Purpose of Travel _____

Dates from _____ to _____

Transportation:	Estimated	Actual
Aircraft:		
Taxi:		
Limousine:		
*Auto Expense:		

*To include personal vehicle, rental car or state car

***When traveling more than 100 miles per day the Trip Calculator located on TAXi must be used to determine if it is cost effective to drive a rental car or personal vehicle**

Parking Fees:		
Tolls:		
Subsistence:		
Lodging:		
Meals:		
Conference/Training:		
Registration Fee:		
Training/Course Fee:		
Other:		
Phone:		
Postage:		
Other:		
TOTAL COST	-	-

I certify that the travel cost estimates contained herein represent all anticipated costs of the proposed travel.

Signed _____ Date _____
Employee

Approved _____ Date _____
Immediate Supervisor

Exhibit 22b - Travel Expense Reimbursement Voucher

TRAVEL EXPENSE REIMBURSEMENT VOUCHER

DEPARTMENT, INSTITUTION, OR AGENCY

PREPARE WITH INK OR TYPEWRITER. USE ADDITIONAL SHEETS WHEN NECESSARY

Name	
Address:	
City:	
State:	Zip: -
Vendor ID: -	Suffix:

PERSONAL VEHICLE USE STATEMENT - STATE EMPLOYEES ONLY

[illegible]

I HEREBY CERTIFY THAT EXPENSES LISTED BELOW WERE INCURRED BY ME ON OFFICIAL BUSINESS OF THE COMMONWEALTH OF VIRGINIA AND INCLUDE ONLY SUCH EXPENSES AS WERE NECESSARY IN THE CONDUCT OF BUSINESS.

STATE EMPLOYEE? YES NO

SIGNATURE OF TRAVELER | DATE

TITLE

I HEREBY CERTIFY THAT THE TRAVEL UNDERTAKEN IN THIS REIMBURSEMENT VOUCHER HAS BEEN REVIEWED AND APPROVED AS NECESSARY FOR THE CONDUCT OF BUSINESS OF THE COMMONWEALTH.

TRAVELER'S SUPERVISOR DATE

1. DATE	2. LOCATION AT WHICH EXPENSE WAS INCURRED. POINTS BETWEEN WHICH TRAVEL WAS NECESSARY, METHOD OF TRANSPORTATION USED AND MILEAGE RATE ALLOWED. EACH DAYS EXPENSES MUST BE SHOWN SEPARATELY.	3. MILES TRAVELED	4. MILEAGE	5. AUTO EXPENSE (ITEMIZE IN SECOND COLUMN	6. PER DIEM AMOUNT	7. LODGING	8. OTHER (ITEMIZE IN SECOND COLUMN)	AMOUNT
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
I certify all computations are correct and that all necessary and required receipts are attached. Initial_____		TOTALS	0.00	0.00	0.00	0.00	0.00	0.00

VOUCHER NUMBER | DATE(MMDDYY)

PURPOSE OF TRIP

- CONFERENCE
- ATHLETICS
- RECRUITMENT
- PRESENTATION
- INVESTIGATIONS
- EDUCATION
- EXTRADITIONS
- FIELD WORK
- OTHER (EXPLAIN)

TOTAL SHEET 2	0.00
GRAND TOTAL	0.00
AMOUNT ADVANCED	
Payment/(Due to Agency)	0.00

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH

COST CODE	FIPS	PSD	AGENCY REFERENCE	INVOICE		DUE DATE	REFERENCE DOC	
				DATE	NUMBER	MM DD YY	NUMBER	SX

DESCRIPTION	CURRENT DOCUMENT		SUBSIDIARY ACCOUNT	MULTI-PURPOSE	1099	CHECK IF CONTINUATION SHEET ATTACHED
	NUMBER	SX				

DA-02-041A

TRAVEL EXPENSE REIMBURSEMENT VOUCHER

DEPARTMENT, INSTITUTION, OR AGENCY

Page 2 of

Agency No.

CONTUNUATION SHEET

PREPARE WITH INK OR TYPEWRITER. USE ADDITIONAL SHEETS WHEN NECESSARY

Voucher Number

1. DATE	2. LOCATION AT WHICH EXPENSE WAS INCURRED. POINTS BETWEEN WHICH TRAVEL WAS NECESSARY, METHOD OF TRANSPORTATION USED AND MILEAGE RATE ALLOWED. EACH DAYS EXPENSES MUST BE SHOWN SEPARATELY.	3. MILES TRAVELED	4. MILEAGE	5. AUTO EXPENSE (ITEMIZE IN SECOND COLUMN)	6. PER DIEM AMOUNT	7. LODGING (SHOW PULLMAN SEPARA-TELY)	8. OTHER (ITEMIZE IN SECOND COLUMN)	AMOUNT
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
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			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
			0.00					0.00
	TOTALS	0	0.00	0.00	0.00	0.00	0.00	0.00

Chapter 23

State Vehicles

Due to the travel required to perform job duties, Field Agents may submit a request for assignment of a State owned vehicle for use in job related travel. Virginia Tax management may determine that personal mileage reimbursement is not economical when the amount of miles traveled per year equals or exceeds a certain level. Assignment of State owned vehicles is usually based on the number of miles traveled per year and the availability of state owned vehicles.

Use and operation of State owned vehicles should be in accordance with Virginia Department of General Services, The Office of Fleet Management Services Policies and Procedures. The manual is available online at http://fleet.dgs.virginia.gov. Vehicle operators are responsible for reviewing and conforming to all rules and regulations pertaining to the use, maintenance and operation of a fleet vehicle. Drivers must complete a review with the Agency Transportation Officer prior to use of a state vehicle.

Use of State Owned Vehicles

Field Agents shall use fleet vehicles for official state business only. When a Field Agent is using a fleet vehicle for travel while away from their workstation, the vehicle may be used for travel to obtain meals or other work related necessities. Field Agent who operate a fleet vehicle should drive in such a manner as to be a credit to themselves and the Commonwealth. It is the responsibility of each Field Agent to observe all motor vehicle laws of Virginia. Operators must not knowingly operate vehicles that do not comply with legal requirements. All violations and fines, including parking citations, are the responsibility of the assigned Field Agent at the time of such violation.

Field Agents who operate a fleet vehicle should confirm the registration card, state inspection certificate, Voyager Card and Accident Packet are in the glove box. The Accident Packet should include the following:

- Auto Loss Notice/Incident Report, Exhibit 23a;
- Insurance card (white laminated card), Exhibit 23b;
- In Case of an Accident (yellow laminated card), Exhibits 23c and 23d;
- Use of State owned Vehicle Policy Manual (reduced version), Exhibit 23e;
- Vehicle Cleaning Tips, Exhibit 23f;
- Voyager card.

To obtain any replace Accident Packet items contact Sandy Baker at or 804-786-4178 or email at sandy.baker@tax.virginia.gov.

Field Agents and agencies are responsible for secure and safe storage and parking of vehicles. Fleet vehicles shall not be left on non-residential streets, residential streets, or highways overnight unless it is necessary due to mechanical failure or emergency.

For complete information on the use and operation of State owned vehicles, (***See the Office of Fleet Management Services Rules and Regulations for complete information on the use and operation of State owned vehicles.***)

State Vehicle Accidents or Incidents

It is required that all accidents or incidents involving a fleet vehicle, regardless of the amount of damage, be reported and investigated by State Police. Vehicle Maintenance Control Center (VMCC) should be notified immediately and will contact State Police when the accident or incident is reported to them. If there are injuries involved, 911 should be the first call, then VMCC, then the Field Agent's Supervisor, and then the Agency Transportation Officer.

Each State owned vehicle should have an Accident Packet in the vehicle that provides instructions to follow including a yellow laminated card, which provides step-by-step instructions to follow in the event of an accident. There is also a white laminated card included in the packet with instructions for the other driver to contact the Division of Risk Management (DRM) for any claim in lieu of an insurance company. The Commonwealth is self-insured so DRM acts as a representative. If the Field Agent communicates with State Police and State Police informs the Field Agent they will not be responding to the accident or incident, the Field Agent should ask for the State Police Officer's name, badge number, and division to which they are assigned. This information should be documented and reported to the Agency Transportation Officer.

Accident or Incident Reports

The Field Agent is required to fill out an Automobile Loss Notice form on any accident or incident regardless of the amount of property damage or personal injury. A copy of the form should be in the Accident packet in the vehicle. If a form is needed, it can be obtained from the Agency Transportation Officer. Email the original Automobile Loss Notice form to the VMCC via email at vmcc@dgs.virginia.gov as well as an email copy to the Agency Transportation Officer.

Field Agents are cautioned against accepting responsibility for an accident or incident or discussing the accident or incident with anyone other than their Supervisor, law enforcement officer, Risk Management, or Agency Transportation Officer.

Summary of Accident Reporting and Repairs

- Contact VMCC at 866-857-6866. VMCC or the driver must notify State Police immediately. VMCC should routinely notify State Police, but the driver should ask VMCC if they are contacting State Police, if not, Field Agent should do so.
- Obtain names, addresses, phone numbers, and license numbers of all involved parties and witnesses (Instructions and forms are provided in the Accident Packet located in the State vehicle).
- If vehicle is inoperable, VMCC will make arrangements for towing and transportation of the Field Agent and any passengers to safe location.
- Follow instructions in the Accident Packet for reporting the accident or incident to the Commonwealth's insurance representative (DRM).
- The vehicle will be taken to a shop specified by VMCC for securing estimates and/or repair.
- The Field Agent must advise their Supervisor and Agency Transportation Officer of the accident or incident and obtain necessary forms.

- Complete the Automobile Loss Notice form and submit original section of this form to the VMCC and Agency Transportation Officer. The fleet administrator will advise the agency of the decision of the Uniform Accident Prevention committee regarding accident or incident responsibility determination.

Removal or Recall of Fleet Vehicles from Agency

Vehicles, either agency pool or individual assignment, may be recalled if any of the following occur:

- The vehicle is not driven and is not exempt from the quarterly minimum mileage requirement.
- Vehicle abuse occurs, which includes but is not limited to, the improper care and maintenance of the vehicle such as excess or the extended filth of vehicle, operating the vehicle without servicing at the specified frequency, and damage to the vehicle caused by willful disregard or improper use.
- If the operator of a fleet vehicle is delinquent in the payment of parking tickets, fine or citations on more than two occasions in a six-month period.

State Car Expense Report

Every Field Agent who is assigned a State vehicle must complete the monthly State Car Expense Report on the first workday of each month. The report is located on TAXi under Compliance Support and you must use **Internet Explorer** when opening the report. If you do not use Internet Employer your data will not be saved.

The report can be found at http://taxi/compliance/compliance%20support/default.aspx then select State Car Expense.

You must include the beginning and ending mileage for the month and any expenses incurred. You need to keep all receipts for the State vehicle for the fiscal year.

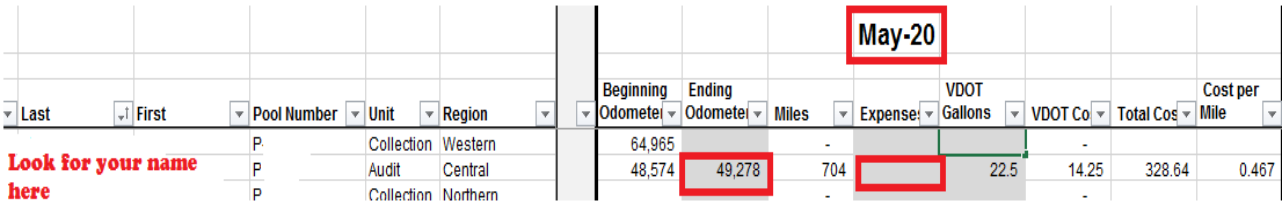


Exhibit 23a - Automobile Incident Report

CONFIDENTIAL: CLAIM INVESTIGATIVE MATERIALS

COMMONWEALTH OF VIRGINIA

Vehicle Pool Number

Automobile Incident Report

Agency Driver: Complete this form and email it to DRMClaims@tra.virginia.gov or send by fax: 804-371-2442

If available, include a copy of the police report

Do not discuss accident with anyone except Commonwealth of Virginia representative and police

Your Agency	Name of agency and institution / division					State vehicle's license plate number
	Agency address Street / P.O. Box	City	State	Zip code		Phone number
Time and Place of Accident	Date of accident	Hour A.M. P.M.	Location Street or highway	City /County		State

BY THE TERMS OF THE AGENCY'S COVERAGE THE COMMONWEALTH MUST BE GIVEN A REASONABLE OPPORTUNITY TO EXAMINE YOUR AUTO BEFORE REPAIRS ARE MADE.

Your Auto	Make of auto	Year	Body type	Vehicle Identification Number	Police called? Y N	Name of police department
	Name of owner or leasing company		Address Street	City	State	Zip Code
	Name of driver		Address Street	City	State	Zip Code
	Driver's date of birth	Driver's license number	Was license in effect at time of accident?			
	Purpose of trip	Who gave permission?	Where were you going when the accident happened?			
			Where were you coming from when the accident happened?			
	Where is the vehicle now?		Estimated cost of repairs			
Other Auto Involved	Make of other auto	Year	Body type	Estimated cost of repairs		
	Describe damage to other auto					
	Name of other driver		Address Street	City	State	Zip Code
	Name of other auto's owner		Address Street	City	State	Zip Code
	Is other auto insured?	Name of other auto's insurance company				
Passengers	Names of passengers in your auto		Addresses Street	City	State	Zip Code
	Names of passengers in other auto		Addresses Street	City	State	Zip Code
Injuries (No matter how minor)	Names of persons injured		Addresses		Injuries	Age
	In which auto were the injured riding?					
	Name of doctor / hospital		Addresses Street	City	State	Zip Code

NEITHER SUBMITTED NOR ACCEPTED AS NOTICE IN SATISFACTION OF ANY FILING REQUIREMENTS

Property Damage Other than Auto

Name of owner	Address Street City State Zip Code
Kind of property	
Estimated cost of repair	Where may property be seen?

Witnesses

Names / phone numbers	Addresses Street City State Zip Code

Description of Accident

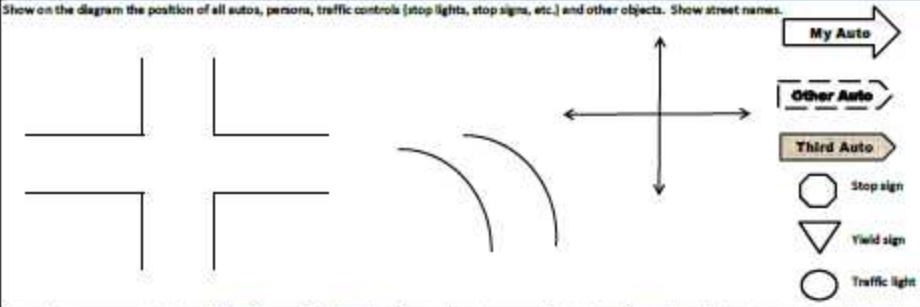
On what street were you driving?	Direction	Speed	Street or road other auto was driving on	Direction	Speed

Were your lights on?			Were the other auto's lights on?			Traffic controls in place?	For whom?	Speed Limit
Y	Bright	Dim	Y	Bright	Dim			
N			N					

Did either driver give signal of any kind?		If intersection who entered first?	Who had right of way?
Y	If yes, who?		
N			

Describe how the accident happened. Include any special details of the collision. Attach additional sheets if needed.

Show on the diagram the position of all autos, persons, traffic controls (stop lights, stop signs, etc.) and other objects. Show street names.



Your Auto's Glass Breakage

Type of glass:	Tinted	Safety	Type of break	Cracked	Chipped or pitted
	Clear	Plate	Shattered	Bull's eye	Half moon

Location of breakage	Vent	Rear	Door	Other (describe)
Windshield				

Windshield damage: check "Type of glass" and "Type of break", above, and mark location on diagram

Do you think a claim will be made against you?	By whom?
Y / N / Uncertain	

Who is your supervisor?	
Your supervisor's phone number	
What is your title / position?	Your signature
	Date
Your phone number	Your email address

NOTE: When submitting this form electronically, your initials below will serve as your electronic signature.

Reported to (Name)	Initials	Reported by (Name)	Initials	Date reported

Exhibit 23b - Laminated Insurance Card

The Commonwealth of Virginia is self-insured. For automobile liability inquiries you may write to:

Commonwealth of Virginia
Division of Risk Management
Post Office Box 1879
Richmond, VA 23218-1879

You may also call: **866-857-6866**

When phoning please be sure to have the Driver Exchange Form information provided by the investigating officer.

Exhibit 23c - In Case of an Accident (Yellow Laminated Card – Front)

IN CASE OF AN ACCIDENT

AT THE SCENE OF THE ACCIDENT:

- DO NOT LEAVE THE SCENE OF THE ACCIDENT.
- Call 911 ONLY IF THERE ARE INJURIES, THEN CALL VMCC IMMEDIATELY AT 1-866-857-6866.
- VMCC will contact State Police for you.
- All accidents involving a state vehicle are required to be investigated by State Police, regardless of the amount of damage to the vehicle.
- Notify your Supervisor.
- Notify the Agency Transportation Officer, Sandy Baker at 804-786-4178.
- DO NOT accept responsibility for an accident and/or incident or discuss it with anyone other than your Supervisor, law enforcement officers, a representative of the insurance company who is representing the Commonwealth or Agency Transportation Officer.
- Provide other driver, if necessary, the fleet issued insurance card.

WHEN YOU RETURN TO THE OFFICE:

- Complete auto loss notice located in the insurance packet.
- Fax auto loss notice to VMCC at 804-545-5020 and to Agency Transportation Officer, Sandy Baker at 804-786-4204.

Exhibit 23d - In Case of an Accident (Yellow Laminated Card – Back)

Vehicle Breakdowns or Unscheduled Repairs

- Contact VMCC at 1-866-857-6866 for assistance. They are available 24 hours a day.
- Provide your name, agency and vehicle number
- Describe to VMCC your vehicle problem and/or provide your current location of vehicle.
- VMCC will contact a vendor to tow vehicle if needed and get you to a safe location.
- If rental vehicle is needed, contact your supervisor for approval.
    - Enterprise Rental at 1-800-261-7331
        - Enterprise Rental locations close at 6:00 pm Monday through Friday. Airport locations are open until 11:00 pm, some are open until midnight.
    - Provide Enterprise Rental with your location to be connected to the nearest rental office.
    - Provide Enterprise Rental with contract number CV16101 to receive state contract rental rates.

Exhibit 23e - Use of a State Vehicle

USE OF A STATE VEHICLE

- **FUELING:** When fueling the vehicle, the Voyager credit card should be used to purchase unleaded gasoline only. After inserting the Voyager credit card, you will be prompted to enter the vehicle number from the card. This is a six-digit number listed on the first line of the credit card located next to the word VEHICLE. You will also be prompted to enter the odometer reading; please do not enter 10ths. If the vehicle number from the card is entered incorrectly, three times you will be locked out of the system. Once locked out you will be to contact Sandy Baker at 804-786-4178 to have the card reset, it will not reset automatically. If mileage is entered incorrectly, you will not be locked out of the system. Please contact Sandy with the correct mileage so vehicle records can be updated. Gas receipts should be placed in the labeled envelope in the vehicle if available. If an envelope is not available, please let the receipts in the vehicle glove box.
- **PARKING/TICKETS:** Vehicles should be parked legally, observing all signs, etc. All parking citations received are paid by the driver and must be paid immediately. **Caution**, when proceeding through changing traffic lights be sure you have enough time to cross the intersection to avoid photo ticketing.
- **SPEEDING:** Employees are requested to follow speed limits and will be required to pay any speeding tickets received while driving a state vehicle. Employees are required to report speeding tickets to their supervisor within three business days. Failure to do so could result in disciplinary action as well as loss of state vehicle use.
- **EATING:** Eating is prohibited while driving a state owned vehicle.
- **CELL PHONE:** Cell phones must be operated via hands-free or while the vehicle is parked. GPS device may be used.
- **TEXTING:** Text messaging or emailing is prohibited while the vehicle is in motion.
- **SMOKING:** Smoking is prohibited, including e-cigarettes.
- **HOV LANES:** Please be observant of the required number of occupants before using HOV lanes. State vehicles must comply with requirements.
- **ACCIDENTS/INCIDENTS:** If you are involved in an accident or incident with injuries, please call 911 immediately, and then call VMCC at 866-857-6866. If the accident or incident does not involve injuries, contact VMCC at 866-857-6866 to report it. VMCC will contact State Police to respond and VMCC will contact towing, etc. as needed. All accidents or incidents involving a state vehicle must be reported to State Police no matter the amount of damage. If you speak to State Police and they inform you they will not be responding to the situation, please ask for their name, badge number and make a note of the information they provided such as why they would not be responding. You should also contact your supervisor and Sandy Baker at 804-786-4178. If you are unsure of what to do when the accident or incident occurs, there is an Accident packet in the glove box, in a manila envelope. The yellow laminated card will list step-by-step instructions for an accident on one side and step-by-step instructions for a vehicle break down on the other side. The Accident packet also includes a white laminated card that provides contact information to be shared with other drives, exchange of information, or to file a claim. The state is self-insured and does not have a designated insurance company. A loss notice form is also included in the packet. This form should be completed when returning to the office after an accident or incident. A copy would be emailed to VMCC at vmcc@dgs.virginia.gov and Sandy at sandy.baker@tax.virginia.gov as well as any paperwork received from State Police or the other driver.

- **OFFICIAL USE:** State vehicles should be used for official business only. No one other than employee on related state business should be in the vehicle. No family members, pets, hitchhikers, etc. should be in the vehicle. No personal business or errands should be conducted while driving the state vehicle.
- **EQUIPMENT/PERSONAL ITEMS:** Personal equipment should not be installed in the state vehicle. Portable GPS may be used, but should be removed when vehicle is not in use to avoid theft. Loss or theft of personal items left in vehicles will not be replaced. Any Virginia Tax items needing to be left in the vehicle should be secured in the locked trunk.
- **MILAGE REPORTING:** Mileage should be recorded and reported to assigned driver of the vehicle or recorded and posted to the spreadsheet at the end of each month if the vehicle is a permanent assignment. If a log box is available, please record the mileage there as well. If a gas receipt is lost, please notify Sandy of the date and location of gas purchase so the information can be retrieved.
- **COMPLAINCE:** Drives must comply with all motor vehicle laws such as a valid driver's license, wearing seatbelts, legally parking, observing speed, etc.
- **ALCOHOL BEVERAGES and DRUGS:** Under no circumstances may a state employee operate a state vehicle under the influence of intoxicating beverages, drugs or other substances. Conviction of such offense will result in the loss of privilege to drive a state owned vehicle. No state vehicle may be used to transport alcoholic beverages unless it is operated by an employee of the Alcohol Beverage Control Board or other law enforcement personnel in the performance of their official duties.
- **TOLL CHARGES:** Toll charges incurred during travel in a state vehicle are paid by the driver and reimbursed by the agency via travel reimbursement voucher. If there is no tollbooth such as a run through toll (Elizabeth River Tunnel in Hampton Roads area), the agency will be billed for the state vehicle passing through. If it is a personal vehicle, the vehicle owner will be billed and can submit voucher for reimbursement. EZ pass lanes should not be used, as it will be considered a violation, the driver will be responsible for payment. Virginia Tax does not provide EZ pass transponders for use in state vehicles.
- **ADVERSE WEATHER:** Drives are cautioned to ensure their safety, safety of passengers and safety of others on the road. Drivers should anticipate potential dangers that could occur given weather conditions. Drivers should keep a safe distance, lower speed; turn on headlights, wipers, etc. If you should have a need to replace a wiper blade, replace a bulb, etc., contact VMCC and inform them of your concern and they will direct you to the closest vendor for replacement. VMCC – 1-866-857-6866
- **LOCKSMITH:** If you are locked out of your vehicle and need assistance VMCC will arrange a vendor to assist. However, drivers are responsible for payment. If you are an AAA member, the state vehicle is covered under that membership.
- **KEY:** If a key is lost, please report it to Sandy as soon as possible. Please do not duplicate state vehicle keys without prior approval.

SAFE TRAVELS

Exhibit 23f – Vehicle Cleaning Tips

Vehicle Cleaning Tips

Take these steps when cleaning the surfaces in your state-owned vehicle:

- Use a disinfecting wipe on hard surfaces, such as keys, door handles, steering wheel, dashboard, center console, cup holders, controls and seat adjustment levers
- Use a disinfecting spray on seat area only; make sure to spray two feet from seat fabric and vent vehicle for 10 minutes after
- **Do NOT use any wipes or spray on the electronic display**
- Clean electronic displays, by spraying a small amount of water and soap into a soft cloth and gently wiping the areas with the cloth

Please adhere to these preventative measures when cleaning surfaces in your state-owned vehicle:

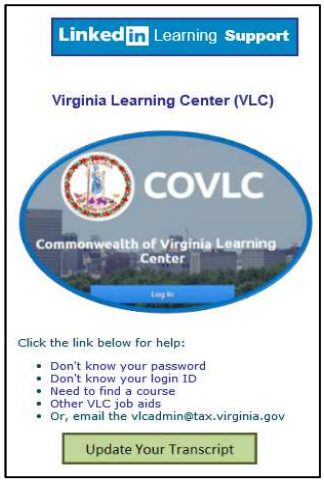
- **Do NOT** spray or wipe any sort of cleaner on switches, electronic devices or display screens, especially alcohol-based cleaners
- **Do NOT** use bleach based sprays on fabric surfaces or carpet
- **Do NOT** use cleaning solvents, bleach or dye on vehicle's seat belts, as these may weaken the belt webbing
- On vehicles equipped with seat-mounted airbags, do not use chemical solvents or strong detergents; such products could contaminate the side airbag system and affect the performance of the side airbag in a crash
- **Do NOT** use chemical solvents or strong detergents when cleaning the steering wheel or instrument panel to avoid contamination of the airbag system
- **Do NOT** use water or acidic cleaners (hot steam cleaners) on the seat as this can damage the seat or occupant classification sensor and can affect the operation of the air bag system, resulting in serious personal injury

If you have any questions about cleaning techniques, please contact **Sandy Baker at (804-786-4178).**

Chapter 24

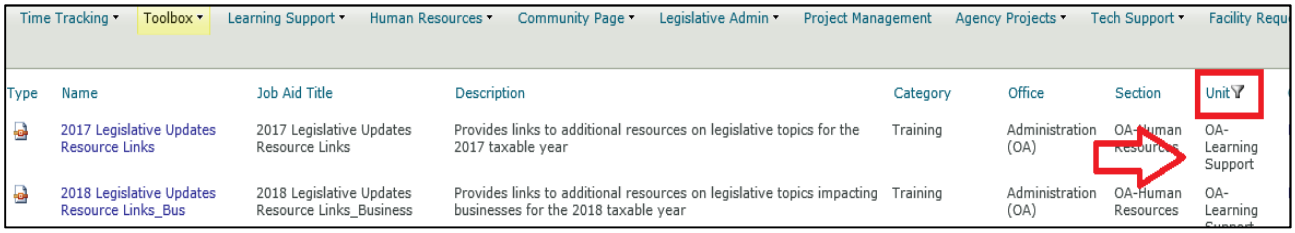
Learning Resources

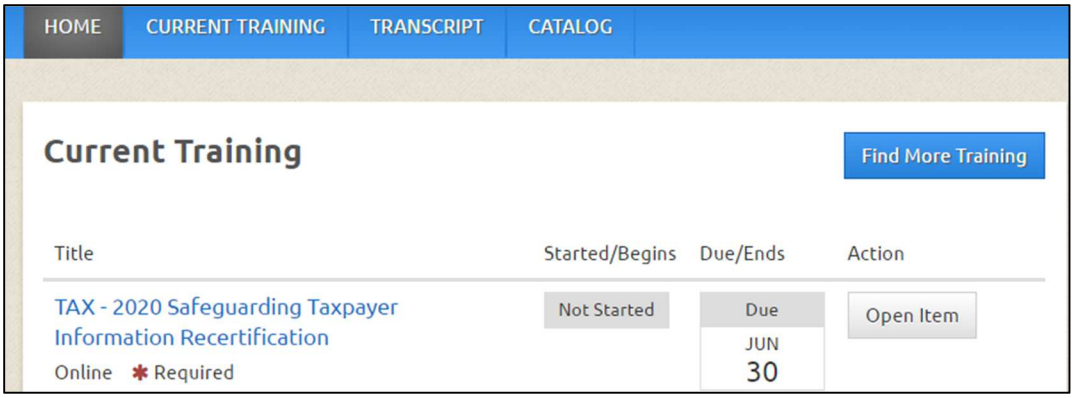
All agency employees have mandatory training that must be completed within specified timeframes. A list of the Required Employee Training Courses, Exhibit 24a, is available on the Learning Support Virginia Tax site. In addition, there are a variety of learning resources to support Field Agent development. The Virginia Learning Center (VLC) offers many eLearning courses including:



- A series of Operational Area Fundamental courses which provide high-level information about the function and structure of the various offices of the agency. Use "Operational Area Fundamental" in a keyword search in the VLC to locate these courses.
- Linkedin Learning courses are also available to support professional growth and development.
- A series of Sales Tax, Withholding Tax, and Corporate Tax Fundamentals which provide basic information about these taxes administered by the Agency. These courses can be found at the Learning Opportunities section.
- Learning Support maintains a lending library. To view a list of the books available, see Tax Lending Library Catalog list on the Learning Support page.

There are many job aids available in Toolbox Quick Reference site to help the Field Agent navigate within the VLC and locate courses. Access the Toolbox Quick Reference site and search using "VLC" or find "OA-Learning Support" under the Unit column to find them. **Open classes in Google.**





TAXi Toolbox Resources

There are a variety of support documents to help the Field Agent in the performance of their daily work activities, most of which can be found in Virginia Tax Toolbox.

Documents in the Toolbox have designated contacts, or owners, for the content found in the document. If the Field Agent has a question about the information in a document, the Field Agent can follow up with the contact.

The Toolbox includes the following sites:

- **Forms Library**: Contains forms used internally within the agency. For example, the "Bond Memorandum" or "Request to Engage in Outside Employment" forms can be found here.
- **Glossary**: Explains Virginia Tax related terms and acronyms.
- **Internal Policies**: Is a repository for documented guidelines that affect the internal agency affairs. For example, "Email Standards" and the "Dress Code Policy" can be found in this site.
- **Procedures**: Is a repository for documents that provide step-by-step instructions for processes and tasks. For example, "How to Handle Defaulted Payment Plans" and "Adjusting a Third Party Lien" documents can be found here.
- **Quick Reference (Job Aids):** Contains reference documents with helpful listings, checklists, and task instructions.
- **User Guides**: Contains system user guides. User Guides provide detailed explanations of system fields and windows, as well as step-by-step instructions necessary to properly use the various Virginia Tax systems.
- **Suggestion Box:** Can be used to convey new ideas. The Suggestion Box can be accessed through TAXi>Compliance>(District)>My idea is…Click Here:

Tip: Sometimes procedure and quick reference documents are not published where you think they would be (i.e. a quick reference job aid is published to the procedures site or a procedure is published as a quick reference document). View the "Search Tips Demo" found on the Welcome to Virginia Tax Toolbox home site.

Exhibit 24a - Required Employee Training Courses

Virginia Tax

Required Employee Training Courses

This chart identifies the required training for all Virginia Tax employees (including contractors, interns and Caliper staff as indicated), the agency mandating the requirement, and the employee role the requirement applies to, along with the frequency and timeframe in which the training must be completed. With the exception of TAL and Special Roles training, required course curricula are assigned to new employees in the Virginia Learning Center (VLC) as tiers in accordance with mandated completion dates.

Course Title	Required For Employee In		Frequency	Duration	VLC Keywords	Mandated By	Comments
	Non-supervisory Role	Supervisory Role					
COMPLETE WITHIN 2 DAYS - TIER 1							
(CD1401) Safeguarding Tax Information	✔	✔	Once; annually at discretion of Disclosure Officer.	20 Mins	(CD1401) Safeguarding Tax Information; CD1401	Virginia Tax	- All TAX employees must complete within 2 days of hire date or obtaining COV system access/equipment and then annually at the discretion of the Disclosure Officer. - If employee is a re-hire, must have completed the course within the last 12 months, otherwise course must be retaken. - This requirement also applies to contractors, interns, and APA staff. - IRMS access is dependent upon completion of this course.
Time, Attendance and Leave (TAL) courses - see chart at end of this document for details	see chart below	see chart below	Once	see chart below	TAL	Virginia Tax	All classified and wage employees must complete Time Sheet courses within 2 days of hire date or obtaining COV system access/equipment.
Preventing Disclosures Through Gmail (Part 1 - AS18D1 & Part 2 - AS18D2)	✔	✔	Once	2 Mins each	AS18D1 and AS18D2	Virginia Tax	- All TAX employees must complete within 2 days of hire date or obtaining COV system access/equipment.

Course Title	Required For Employee In		Frequency	Duration	VLC Keywords	Mandated By	Comments
	Non-supervisory Role	Supervisory Role					
COMPLETE WITHIN 1 WEEK - TIER 2							
TAX - NHT2 - Information Security Awareness Curriculum Curriculum consists of following courses: - *Information Security Awareness Course* - *Acceptable Use Policy*	✔	✔	Once	1 Hour	Information security awareness curriculum	Virginia Information Technologies Agency	All TAX employees must complete both courses in the curriculum within 1 week of hire date. This requirement also applies to contractors, interns and APA staff. APA staff must compelete courses within 3 weeks.
Annual Security Awareness Refresher Curriculum Curriculum consists of following courses: - *Annual Security Awareness Refresher Course* - *Acceptable Use Policy*	✔	✔	Annually, as directed by TAX Info Security	1 Hour	Information security refresher curriculum	Info Tech Resource Mgt (ITRM) Info Sec Std SEC 501-01	OT Information Security will designate the specific timeframe when this refresher training should be completed.
COMPLETE WITHIN 30 DAYS - TIER 3							
Virginia State Employee Safety and Disaster Awareness	✔	✔	Annually	30 Mins	VA State Employee Disaster and Emergency Awareness	Executive Order 41 ('19)	- Complete within 30 days of hire date/commencing state service. - Course provided by VDEMS
Civilian Response to Active Shooter Events (CRASE)	✔	✔	Once	30 Mins	Civilian Response to Active Shooter Events (CRASE)	Executive Order 41 ('19)	- Complete within 30 days of hire date/commencing state service. - Course provided by VDCJS
DHRM - HR Policy - Alcohol and Other Drugs	✔		Once	30 Mins	DHRM Alcohol Drugs	Code of VA § 2.2; DHRM Policy 1.05	Complete within 30 days of hire date.
MVP HR Policy & Law - Alcohol and Other Drugs		✔	Once	30 Mins	MVP Alcohol Drugs	Code of VA § 2.2; DHRM Policy 1.05	Complete within 30 days of placement in supervisory position.
TAX - Virginia Tax Ethics	✔	✔	Annually	35 Mins	Ethics	Virginia Tax	Complete within 30 days of hire date.

Course Title	Required For Employee In		Frequency	Duration	VLC Keywords	Mandated By	Comments
	Non-supervisory Role	Supervisory Role					
MVP HR Policy & Law - Civility in the Workplace	✔	✔	Once; ongoing employee education	50 Mins	HR Policy & Law - Civility in the Workplace; MVP; sexual harassment; workplace harassment	DHRM Policy 2.35	Complete within 30 days of hire date.
COMPLETE WITHIN 6 MONTHS - TIER 4							
MVP - Enhancing Employee Performance		✔	Once	2 Hours 50 Minutes	MVP Enhancing Performance	Virginia Tax	Complete within 6 months of placement in supervisory position.
SBE - MVP - HR Policy & Law - Performance Management		✔	Once	2 Hours 30 Minutes	SBE Performance; SBE Performance Management	Virginia Tax	Complete within 6 months of placement in supervisory position.
SBE - MVP - Conflict Management		✔	Once	1 Hour 30 Minutes	SBE Conflict; SBE Conflict Management	Virginia Tax	Complete within 6 months of placement in supervisory position.
MVP HR Policy & Law - Understanding and Using the Grievance Procedure		✔	Once	3 Hours	MVP HR Grievance	Code of VA §2.2-3000	Complete within 6 months of placement in supervisory position.
MVP - HR Policy & Law - Compensation Policy		✔	Once	1 Hour 30 Minutes	MVP Money	Virginia Tax	Complete within 6 months of placement in supervisory position.
MVP - HR Policy & Law Americans with Disabilities Act		✔	Once	30 Mins	MVP ADA	Virginia Tax	Complete within 6 months of placement in supervisory position.
MVP HR Policy & Law - Fundamentals of EEO Law		✔	Once	30 Mins	MVP EEO	Virginia Tax	Complete within 6 months of placement in supervisory position.
COMPLETE WITHIN 12 MONTHS - TIER 5							
EDR - Workplace Dispute Resolution Services Overview	✔		Once	30 Mins	EDR - Workplace Dispute Overview; Grievance	Code of VA §2.2-3000	Complete within 12 months of hire date.

Course Title	Required For Employee In		Frequency	Duration	VLC Keywords	Mandated By	Comments
	Non-supervisory Role	Supervisory Role					
COMPLETE WITHIN 2 YEARS - TIER 6							
Completion of the *Managing Virginia Program*		✔	Once	All MVP courses in VLC approx. 27 hours	MVP; Manager; Supervisor	Virginia Tax	All MVP courses must be completed within 2 years of placement in supervisory role. Refer to information posted on the Learning Support TAXi site.

Special Roles and Duties

Course Title	Frequency	Duration	VLC Keywords	Mandated By	Comments
Travel Cardholders					
DOA - Travel Cardholder Training 20XX *(current year)*	Once		Annual Travel (current year); doa	DOA	New agency travel cardholders.
Small Purchase Credit Cardholders & Reviewers					
DOA - SPCC Cardholder Training 20XX *(current year)*	Once		SPCC Cardholder (current year); doa	DOA	New Small Purchase Credit Cardholders.
DOA - SPCC Cardholder Refresher Training 20XX *(current year)*	Annually		SPCC Cardholder Refresher (current year)	DOA	Small Purchase Credit Cardholders.
DOA - Cardholder Supervisor Reviewer Training 20XX *(current year)*	Annually		DOA Cardholder Supervisor; doa; (current year)	DOA	Those supervising/approving cardholder logs.
Employees Required to Complete Statement of Economic Interest Training					
OAG - Conflict of Interest Act Training (current year)	Must be completed within two months of becoming designated as a state filer and biennially thereafter.	1 Hour	Conflict of Interest	Code of VA §2.2-3128; Executive Order 33 ('15)	Those in SOEI designated positions.

Course Title	Frequency	Duration	VLC Keywords	Mandated By	Comments
Members of Hiring Panels					
Note: The interview **panel chairperson** must have completed these courses within the past twelve months or must take them again as a refresher. **Exception:** This VLC course requirement does not apply to anyone from an outside agency or entity selected to serve on a Virginia Tax interview panel.					
MVP HR Policy & Law - Fundamentals of EEO Law	Once	30 Mins	MVP EEO	Virginia Tax	Prior to serving on a hiring panel
MVP HR Policy & Law - Employee Selection Procedures	Once	1.5 Hours	MVP Employee Selection Procedures	TAX	Prior to serving on a hiring panel

Time, Attendance and Leave (TAL) Training Requirements Based on Role				
Course Title in the Virginia Learning Center	**Wage Employee**	**Salaried Employee NOT Required to Complete a Timesheet (Exempt)**	**Salaried Employee Who Completes a Timesheet (Non-exempt)**	**Manager/ Supervisor/ Team Leader & Alternates**
DHRM – 1 TAL Overview	✔	✔	✔	✔
DHRM – 2 TAL Employee Leave		✔	✔	✔
DHRM – 3 TAL Employee Timesheet	✔		✔	✔
DHRM – 4 TAL Supervisor Leave				✔
DHRM – 5 TAL Supervisor Timesheet				✔
Total Estimated Training Time	*30 minutes*	*30 minutes*	*45 minutes*	*1.25 hours*

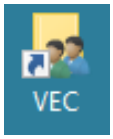
Chapter 25

Using Technology

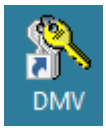
There are many technology based tools available to assist Field Agents with performing job duties. Equipment such as tablets assist Field Agents in collection duties while in the field. Virginia Tax systems including AR, CACSG, Tax Collections application, Image Retrieval/Viewer, G Suite, iFile viewer, and eForms viewer are essential elements of the collections process. Field Agents also have access to information through other State agency systems including Department of Motor Vehicles (DMV), Virginia Employment Commission (VEC) and State Corporation Commission (SCC). Field Agents have access to many sources of information through the internet such as directory assistance, maps, zip code information, etc.

Using Other State Agency Systems

Information from other State agency computer systems can help Field Agents with finding or verifying addresses, finding possible lien sources and other information such as corporate officer names and addresses. When using these systems, Field Agents must comply with user policies, procedures and security requirements for each agency including maintaining confidentiality of information. Some of these systems are available to authorized users only.



Virginia Employment Commission (VEC) – The VEC computer system is a useful tool in locating third party lien sources by identifying places of employment of taxpayers. Central Office routinely runs automated matches with VEC information for issuing third party liens. Field Agents must manually research VEC for possible lien sources. Other beneficial information includes VEC registration/demographic information, SSN of responsible officer, reported gross wages of a business and the beginning and ending liability dates. See Exhibit 25a.



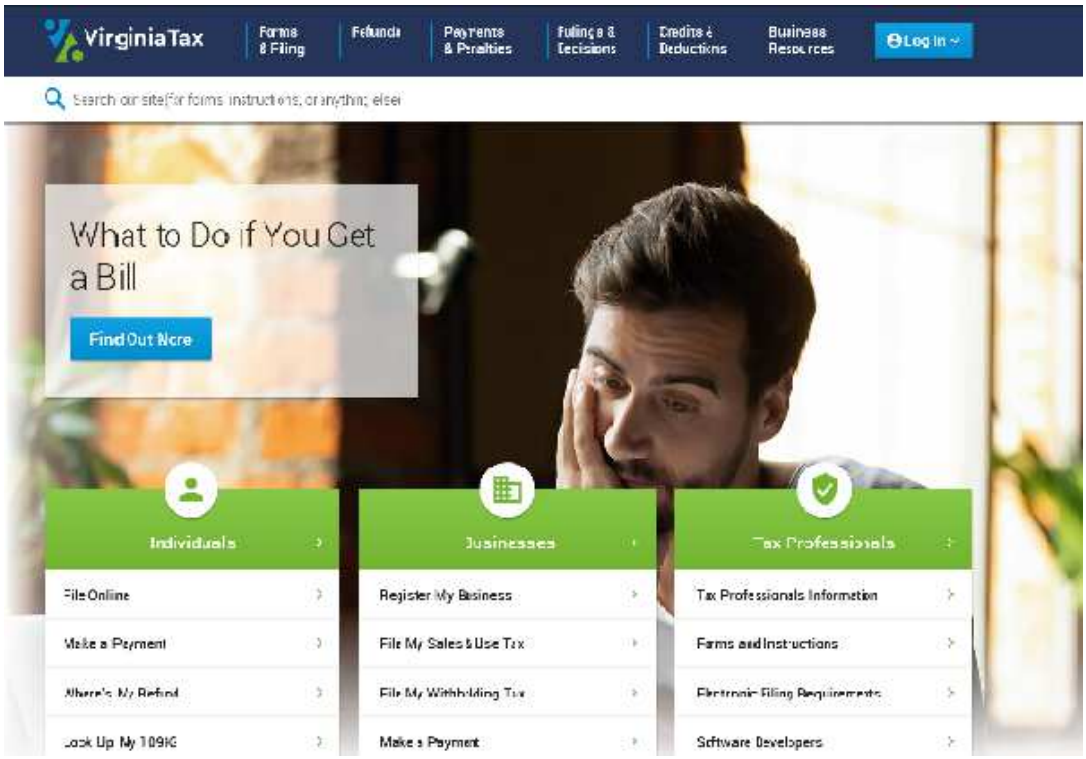
Department of Motor Vehicles (DMV) – The DMV computer system is a useful tool for finding addresses and possible lien sources. DMV information includes taxpayer information such as name and address and vehicle information including current vehicles registered to an individual or business and liens against each vehicle. The name and address information can help a Field Agent in locating taxpayers and identifying name and address changes. The vehicle lien information can provide a possible lien source or an asset such as an unencumbered antique vehicle. See Exhibit 25b.

State Corporation Commission (SCC) – The SCC system provides valuable information about corporations, limited liability companies and limited liability partnerships. The Field Agent can use this information to find termination dates for corporate charters, names of officers, partners, or members and address information. Other information available includes UCC filings and business trust information. Authorization for use of this system is not required. See Exhibit 25c.

Court Sites for MOL Research

The Field Agent can submit the Remote Access form to the court within their designated territory to obtain online access to view MOL information. The form states there is a fee; however, the fee is waived for State agencies. A username and password will be issued to the Field Agent once access is granted and access is good for one year. It can be renewed by contacting the appropriate court.

Virginia Department of Taxation Website



Virginia Tax website provides useful information that can assist Field Agents as well as taxpayers. Through the Tax Policy Library, Field Agents can access the Tax Code of Virginia, Virginia Tax Regulations, Legislative Summaries, Tax Commissioner Rulings, and Tax Bulletins. Field Agents can also download Virginia Tax and IRS forms.

Commonwealth of Virginia and Federal Websites

Virginia.gov

- State of Virginia http://www.virginia.gov
- Virginia General Assembly http://legis.state.va.us
- Virginia's Judicial System http://www.courts.state.va.us/
- Code of Virginia http://lis.virginia.gov/000/src.htm
- State Corporation Commission http://www.scc.virginia.gov/division/clk/diracc.htm

VIRGINIA'S JUDICIAL SYSTEM

IRS

- Internal Revenue Service http://www.irs.gov/
- United States Postal Service http://www.usps.com/

Telephone Number and Address Resources

Using directory assistance websites can assist the Field Agent in locating phone numbers and addresses for taxpayers. In addition, websites are available that offer driving directions and maps for finding a specific location. However, Field Agents must not access services requiring membership and/or fees. The following is a list of websites that provide this information:

Directory Assistance (phone numbers, addresses and maps)

- http://www.anywho.com/
- http://www.corp.att.com/directory/
- http://www.dexknows.com/
- http://www22.verizon.com/
- http://www.yellowpages.com/
- LexisNexis Accurint: Contact your Supervisor with information which you are seeking. Provide them with the account name, FEIN or Social Security Number.

Maps, Applications and Driving Directions

- http://mapquest.com/directons/
- https://www.mapquest.com/routeplanner
- https://www.speedyroute.com/
- https://www.google.com/maps
- https://www.waze.com/

Zip Codes and Addresses

- http://usps.com

Miscellaneous Information

- Federal Reserve Financial Services (search for bank routing numbers) https://www.frbservices.org/

Training Resources

- Virginia Learning Center (VLC) https://covlc.virginia.gov.
  NOTE: It can also be accessed from the Virginia Tax home page and the Learning Support site
- Virginia Tax Toolbox
- Career Skills Resource Center http://www.mindtools.com/

Human Resources and Other Benefits

- Department of Human Resource Management http://www.dhrm.virginia.gov
- Virginia Commonwealth Health Program http://www.commonhealth.virginia.gov/commonhealthvirginia.htm
- Defined Contribution Plan https://vadcp.gwrs.com/tl001/SplashAuth.asp
- Department of Accounts http://www.doa.virginia.gov
- Department of Accounts Payline (pay history) https://payline.doa.virginia.gov/Login.cfm
- Employee Dispute Resolution http://www.edr.virginia.gov
- Virginia Retirement Service http://www.varetire.org
- Commonwealth of Virginia Health Benefits Enrollment https://edirect.virginia.gov/

- Flexible Benefits http://www.fbmc-benefits.com/
- Value Options Achieve Solutions (mental health) https://www.achievesolutions.net
- Virginia Governmental Employee Association http://www.vgea.org/

Exhibit 25a & 25b – Virginia Employment Commission (VEC)

Virginia Employment Commission (VEC) and Virginia Division of Motor Vehicles (DMV)

Information from other State Agency computer systems such as the DMV and the VEC can help Field Agents with finding or verifying addresses, finding possible lien sources, and other information such as corporate officer information. When using these systems, Field Agents must comply with user policies, procedures, and security requirements including maintaining confidentiality of information. These systems are available to authorized users only and both DMV and VEC use the same user identification and password. Passwords expire every thirty days and logins are purged from the system after six months of inactivity.

The VEC computer system is a useful tool in locating the following information:

- Third Party Lien sources,
- VEC registration and/or demographic information,
- Social Security Number of Responsible Officer,
- Reported gross wages of a business,
- Beginning and ending liability dates.

The DMV computer system is a useful tool in locating the following information:

- Finding new addresses,
- Current vehicle registrations,
- Liens against vehicles which can provide a possible lien source or an asset such as an unencumbered antique vehicle,
- Possible lien sources.

PF Keys:

PF keys provide you with a means of moving quickly from screen to screen and are intended to save you keystrokes. There are two types of function keys. The Standard Function Keys perform the same function, regardless of what screen you may be viewing. These keys and their functions are listed below.

There are also Screen Dependent Function Keys whose functions change with the screen you are viewing. You can use these keys to access other inquiry screens directly from the screen you are viewing. Screen specific PF keys are located at the bottom of each screen.

Standard Function Keys

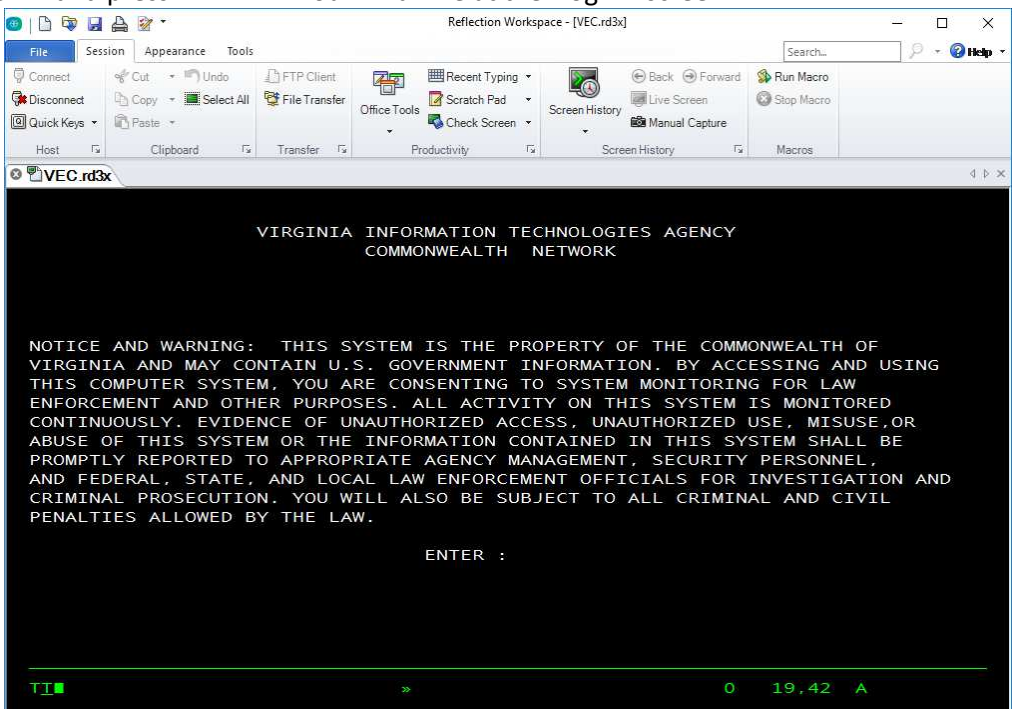
Help	PF1	Displays on-screen information about the screen you are viewing. Press the <ENTER> key to return to the screen you were viewing.
Return to Main Menu	PF2	Returns you to the CSS Main Menu from any screen you are viewing.
Return to Functional Menu	PF3	Returns you to the CSS External User Menu.

Exhibit 25a – Virginia Employment Commission (VEC)

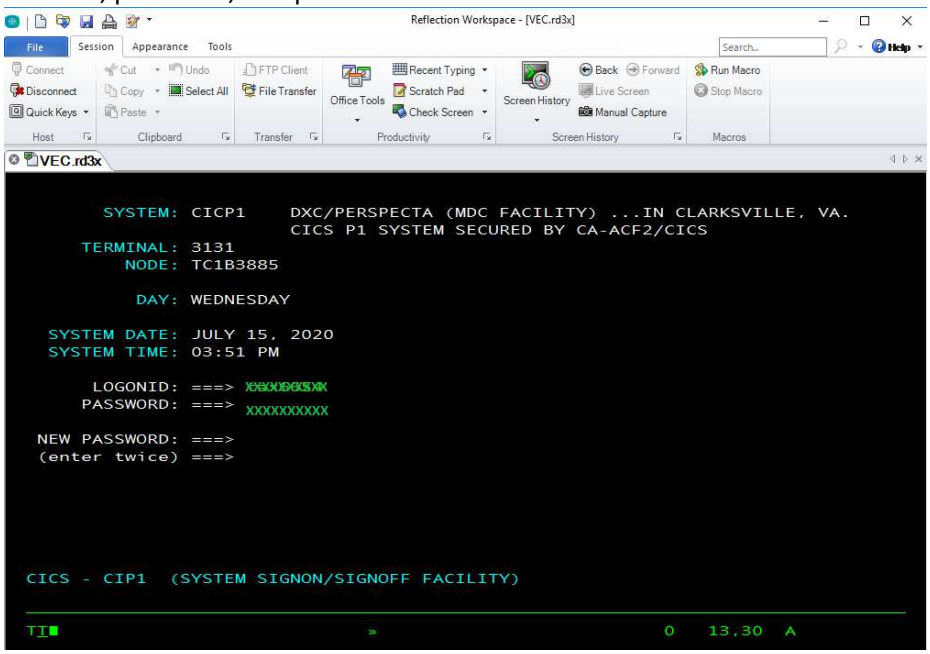
Virginia Employment Commission (VEC):

To access VEC, double click the icon to open a session.

Enter “CICP1” and press <ENTER>. You will arrive at the “log in” screen.



Enter your user name, password, and press <ENTER>.



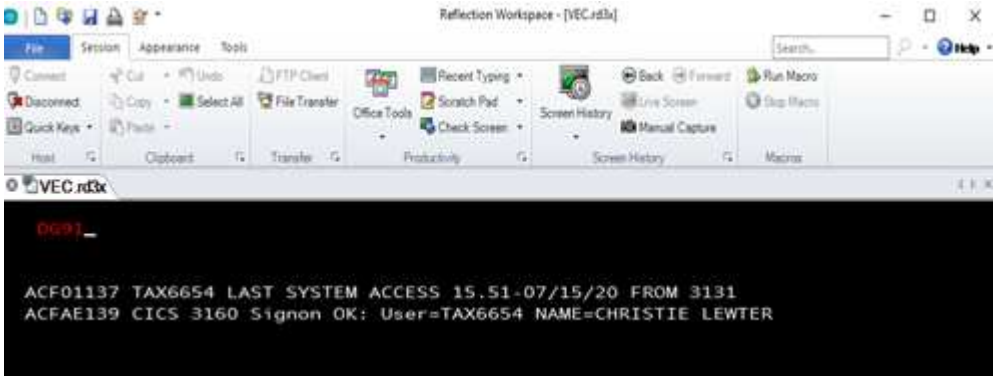
Next, you will choose the appropriate screen that is associated to the type of information you are researching. Each VEC screen is specific to either individual or business information.

- Individual screens are DG90 & DG91
- Business screens are DG80, DG81, DG82, & DG83.

To access an individual account:

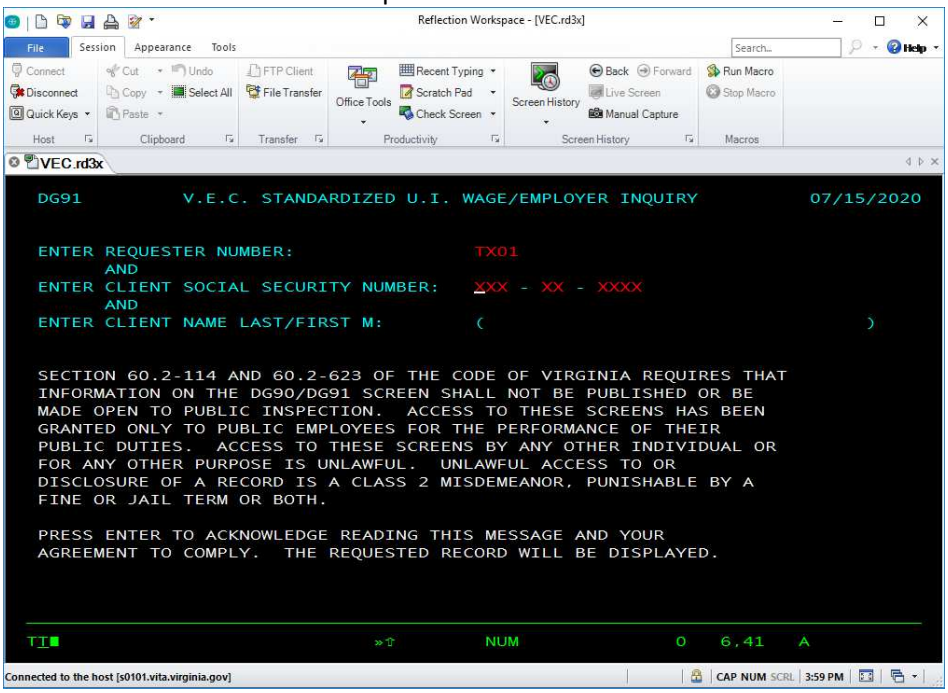
The DG 91 screen will show information pertaining to the taxpayer's employment history and earnings. Each employer is listed separately with quarterly reports showing the most current first to the oldest.

Enter "DG91" on the screen and press <ENTER>.



Enter the following information:

- Requester number "TX01"
- Person's social security number (XXX-XX-XXXX)
- Enter an "X" under Client Name and press <ENTER>



Here you will see this person's employment history.

```
DG91              V.E.C. WAGE/EARNINGS FOR [redacted]      REQUESTER TX01
                            07/15/2020

LAST NAME/FIRST : [redacted]                        REPORTED EARNINGS QYR   1/2020

----EMPLOYER/TRADE/IN CARE OF (NAME)- ----------------------------------------
[redacted]                                LOC ADDR :
                                          CTY ST ZP:
                                          EMPL. ID :
MAIL ADDR:                                FED. ID. :
CITY ST  :                                PHONE NO.:
CTY ZIP :                              0

Q/YR WAGE: 1/2020        $110.25
Q/YR WAGE:
Q/YR WAGE:
Q/YR WAGE:
Q/YR WAGE:
Q/YR WAGE:
Q/YR WAGE:
```

The screen will show the following:

- Employer address, usually both mailing and physical addresses, for the employer listed
- Employers phone number
- Employers FEIN

This employer could possibly be the current employer, which could be a resourceful wage lien source. You will see the VEC number (Employer ID) listed just above the FEIN. This VEC number can be useful when working accounts assigned a temporary V number in AR.

If you want to see additional employers for this taxpayer, press <ENTER> again and it will take you to the next screen of this person's employment history. You can continue reviewing the employment history by pressing, <ENTER> until there are no more records.

These records are also useful in setting payment plan agreements that do not meet the standard requirements when the taxpayer is requesting a lower payment amount. This is an accurate report showing what the taxpayer's income has been.

To access the DG90 screen, which shows unemployment compensation and benefits, for the Taxpayer you will press the "F3" key on your keyboard. This will take you to the DG90 screen.

```
DG90    V.E.C. BENEFITS FOR [redacted]  0    SEEKER ID TX01     07/15/2020

A. (CLAIMANT NAME/ADDRESS/PHONE #)          -----P A Y M E N T  H I S T O R Y----
[redacted]                                  OFST PAYMT PAYMT  COMP WEEK  CHECK
                                            CODE  AMT  DATE    END DATE   NMBR
B. (BENEFIT AMOUNTS)
   1. MAXIMUM AMOUNT:                 $0
   2. BALANCE AMOUNT:                 $0
   3. WEEKLY AMOUNT:                  $0
   4. CHILD SUPPORT: PERCENT  55 AMT  $63
C. (DATES)
   1. BENEFIT YEAR BEGIN DATE     04/12/20
   2. FILING DATE:                04/12/20
   3. RETURN TO WORK DATE:        00/00/00
   4. BIRTH DATE:                 06/23/89
D. (MISCELLANEOUS INFORMATION)
   1. LOCAL OFFICE NUMBER:            111
   2. TOTAL CLAIM WEEKS:
   3. SEX:                           MALE
   4. CLAIM STATUS:               INACTIVE

END OF CLAIM RECORD. ENTER NEW SSN, NAME ELSE HIT PF1 FOR MENU OR CLEAR TO EXIT
```

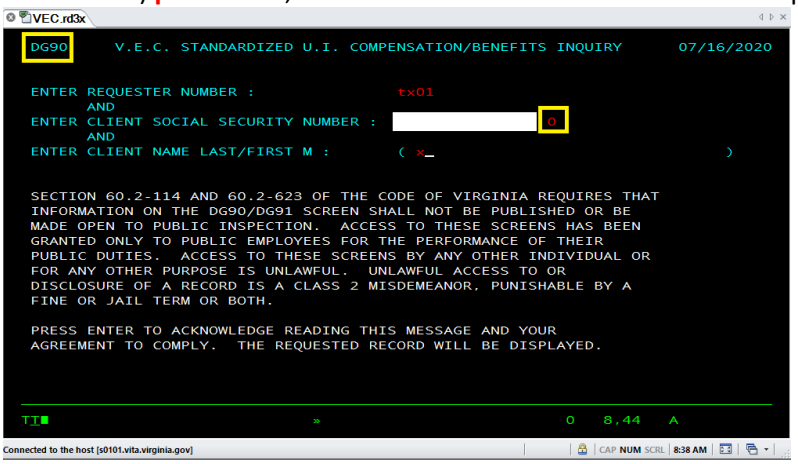
Here you will see the Taxpayer's name, address and phone number if they have applied or received unemployment benefits.

The left side of the screen shows the following:

A. Claimant name/address and phone number
B. Benefit Amounts
   1. Maximum amount of benefits they can receive
   2. Balance of those benefits
   3. The weekly-approved amount, which is how much they would receive each week if VEC pays the unemployment claim
C. Dates
   1. Benefit year begin date
   2. Dates the taxpayer filed for benefits
   3. Return to work date
   4. Taxpayer's date of birth
D. Miscellaneous Information
   1. It shows which local VEC office is handling the claim
   2. The number of weeks the taxpayer was approved for benefits
   3. The taxpayer's gender
   4. Whether the claim is "active" or "inactive"
E. On the right side of the screen shows the claims payment history. If there were a payment history listed, it would show:
   1. Payment amount
   2. Payment date
   3. Check number
   4. Claim week the taxpayer was paid

To go back to the DG91 screen, press the "F3" key on your keyboard. This allows you to toggle between the screens.

If you choose to access the DG90 screen for unemployment info first, you simply enter DG90 after you enter your user name and password. You will enter the Requester number "TX01", the taxpayer's social security number (XXX-XX-XXXX) **plus a zero**, and under client name enter an "X" then press enter.



NOTE: You are not able to search VEC for a business using a temporary "V" number. You can only use the FEIN or VEC numbers. The FEIN and/or VEC numbers allow you to cross-reference VEC and AR. It is possible to find the entity type is incorrect in AR or there are duplicate business accounts in AR.

To access a business account:

Enter "CICP1" and press <ENTER>. You will arrive at the "log in" screen:

```
                    VIRGINIA INFORMATION TECHNOLOGIES AGENCY
                          COMMONWEALTH   NETWORK


NOTICE AND WARNING:  THIS SYSTEM IS THE PROPERTY OF THE COMMONWEALTH OF
VIRGINIA AND MAY CONTAIN U.S. GOVERNMENT INFORMATION. BY ACCESSING AND USING
THIS COMPUTER SYSTEM, YOU ARE CONSENTING TO SYSTEM MONITORING FOR LAW
ENFORCEMENT AND OTHER PURPOSES. ALL ACTIVITY ON THIS SYSTEM IS MONITORED
CONTINUOUSLY. EVIDENCE OF UNAUTHORIZED ACCESS, UNAUTHORIZED USE, MISUSE,OR
ABUSE OF THIS SYSTEM OR THE INFORMATION CONTAINED IN THIS SYSTEM SHALL BE
PROMPTLY REPORTED TO APPROPRIATE AGENCY MANAGEMENT, SECURITY PERSONNEL,
AND FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT OFFICIALS FOR INVESTIGATION AND
CRIMINAL PROSECUTION. YOU WILL ALSO BE SUBJECT TO ALL CRIMINAL AND CIVIL
PENALTIES ALLOWED BY THE LAW.

                                   ENTER :
```

Enter your user name, password, and press <ENTER>.

```
VEC.rd3x

        SYSTEM: CICP1     DXC/PERSPECTA (MDC FACILITY) ...IN CLARKSVILLE, VA.
                          CICS P1 SYSTEM SECURED BY CA-ACF2/CICS
      TERMINAL: 3131
          NODE: TC1B3885

           DAY: WEDNESDAY

   SYSTEM DATE: JULY 15, 2020
   SYSTEM TIME: 03:51 PM

       LOGONID: ===> XXXXXXXX
      PASSWORD: ===> XXXXXXXXX

  NEW PASSWORD: ===>
  (enter twice) ===>
```

On the next screen, enter "DG83", a space, the FEIN (XX-XXXXXXX), and press <ENTER>. This will display the "Federal Inquiry" screen, which only allows you to cross-reference the FEIN with the VEC account number. The "DG83" screen must be used first in order to access the DG80, DG81, and DG82 screens.

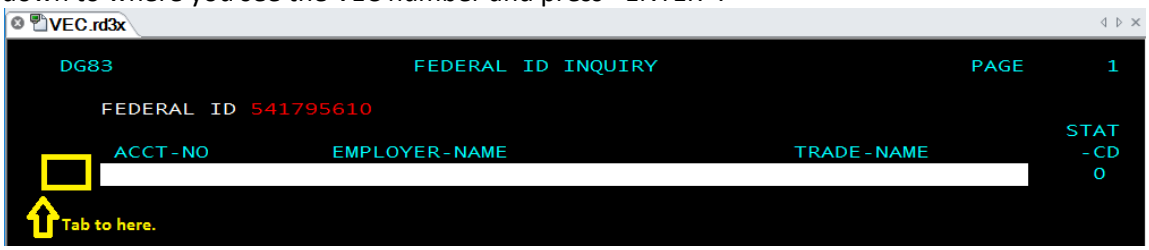
```
VEC.rd3x
 dg83 123456789_

ACF01137 TAX6654 LAST SYSTEM ACCESS 08.36-07/16/20 FROM 4712
ACFAE139 CICS 4903 Signon OK: User=TAX6654 NAME=CHRISTIE LEWTER
```

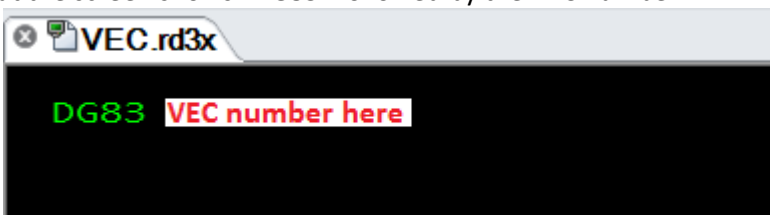
```
VEC.rd3x
 DG83                    FEDERAL ID INQUIRY                    PAGE      1

 _   FEDERAL ID [          ]
                                                                   STAT
     ACCT-NO          EMPLOYER-NAME                  TRADE-NAME     -CD
                                                                     O
```

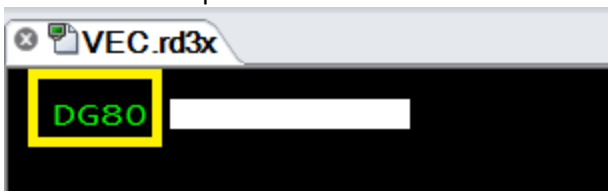
Tab down to where you see the VEC number and press <ENTER>.



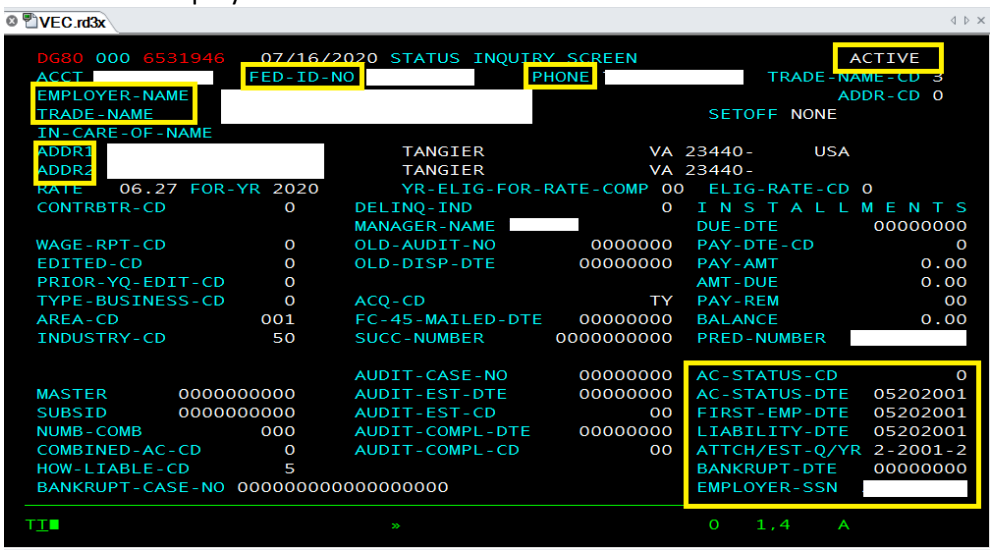
You will see here that the screen shows "DG83" followed by the VEC number.



You will need to change DG83 to DG80 and press <ENTER>.



The DG80 screen is the Employer Account Status Information screen.

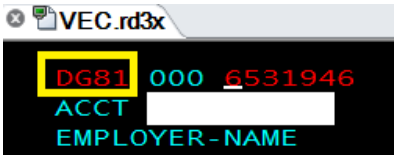


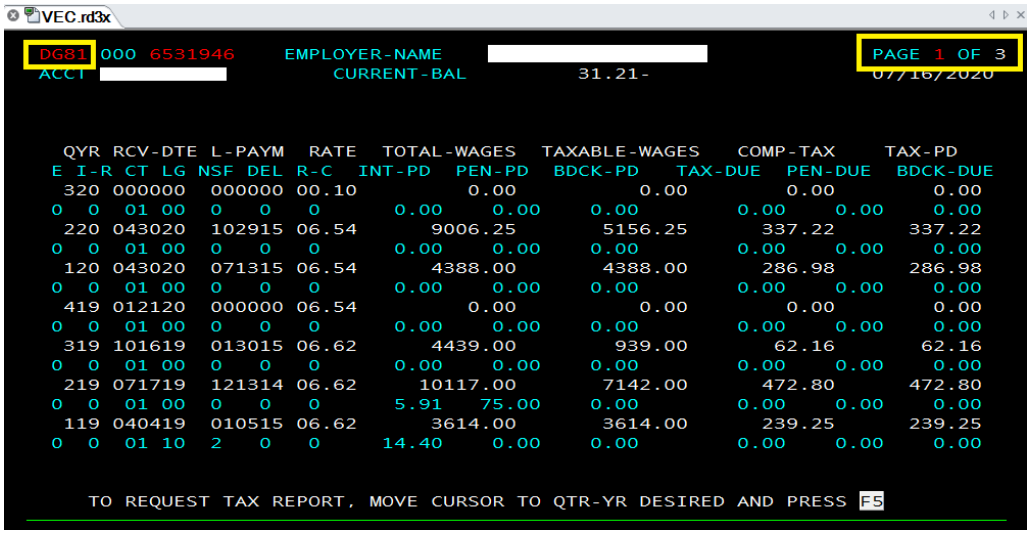
The DG80 screen shows the following:

- Business FEIN
- Business Name along with trade name
- Address
- Phone number
- If business is active or inactive

- Important dates - These dates usually coincide with AR's beginning and ending liability dates. If VEC has an open account, Virginia Tax should as well. If VEC has closed their account, it is usually a good indication that Virginia Tax should also have a closed WH tax account.
    - AC STATUS DTE – this is the date of Taxpayers last liability (the effective date VEC closed the account);
    - FIRST EMP DTE – this is the date that the business first registered with VEC;
    - LIABILITY DTE - Indicates the first date which the business was liable for unemployment taxes;
    - EMPLOYER SSN – this is the social security number of the responsible person.

To check businesses reported wages, you need to go to the DG81 screen. Simply change the DG80 at the top left hand side of the screen to DG81 and press <ENTER>.





You can press enter to move to the next pages to see additional quarterly wages reported.

To access the DG82 screen, VEC's Accounting Audit Trail Inquiry, at the top left hand side of the screen, change the DG81 to DG82. This screen will show you older wage and payment information. Press enter to go to the next page.

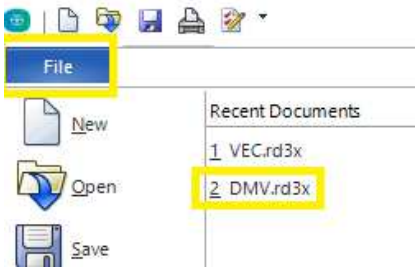
```
VEC.rd3x
DG82 000 6531946              AUDIT TRAIL INQUIRY        07/16/20      P 1 OF 4
  EMP-ACCT-NO [redacted]          EMP-NAME [redacted]
  CURRENT-ACCOUNT-BALANCE                31.21-                    TRANS-CTR 73
CD 1 LB T-DTE 102813 PD-DTE 102413 BATCH 51231 POS 000 133  REMIT        269.51
CD 1 CR T-DTE 102813 PD-DTE 102413 BATCH  OCR  POS 327
 CD 3        QYR 313 RTE    .00 TOT-WGS        9,045.00   TAX-WGS        3,975.00
 CD 4 QYR 313 T-DUE        269.51  I-DUE        .00  P-DUE     .00  CK-DUE    .00
 CD 2 QYR 113 T-PD           1.17- I-PD         .00  P-PD      .00  CK-PD     .00
 CD 2 QYR 313 T-PD           1.17  I-PD         .00  P-PD      .00  CK-PD     .00
 CD 2 LOCKBOX T-PD         269.51  I-PD         .00  P-PD      .00  CK-PD     .00
CD 1 LB T-DTE 021914 PD-DTE 013114 BATCH 52591 POS 000 134  REMIT        117.95
CD 1 CR T-DTE 021914 PD-DTE 013114 BATCH  OCR  POS 246
 CD 3        QYR 413 RTE    .00 TOT-WGS        3,214.00   TAX-WGS          624.00
 CD 4 QYR 413 T-DUE         42.31  I-DUE        .00  P-DUE     .00  CK-DUE    .00
 CD 2 QYR 313 T-PD           1.17- I-PD         .00  P-PD      .00  CK-PD     .00
 CD 2 QYR 413 T-PD           1.17  I-PD         .00  P-PD      .00  CK-PD     .00
 CD 2 LOCKBOX T-PD         117.95  I-PD         .00  P-PD      .00  CK-PD     .00
CD 1 LB T-DTE 073014 PD-DTE 072814 BATCH 54088 POS 000 142  REMIT          2.40
CD 1 CR T-DTE 073014 PD-DTE 072814 BATCH  OCR  POS 263
 CD 3        QYR 214 RTE    .00 TOT-WGS        3,614.00   TAX-WGS        3,614.00
 CD 4 QYR 214 T-DUE        239.25  I-DUE        .00  P-DUE     .00  CK-DUE    .00
 CD 2 QYR 413 T-PD          76.81- I-PD         .00  P-PD      .00  CK-PD     .00
 CD 2 QYR 214 T-PD          76.81  I-PD         .00  P-PD      .00  CK-PD     .00
```

Both the DG81 & DG82 screens are useful in creating nonfiler WH assessments.

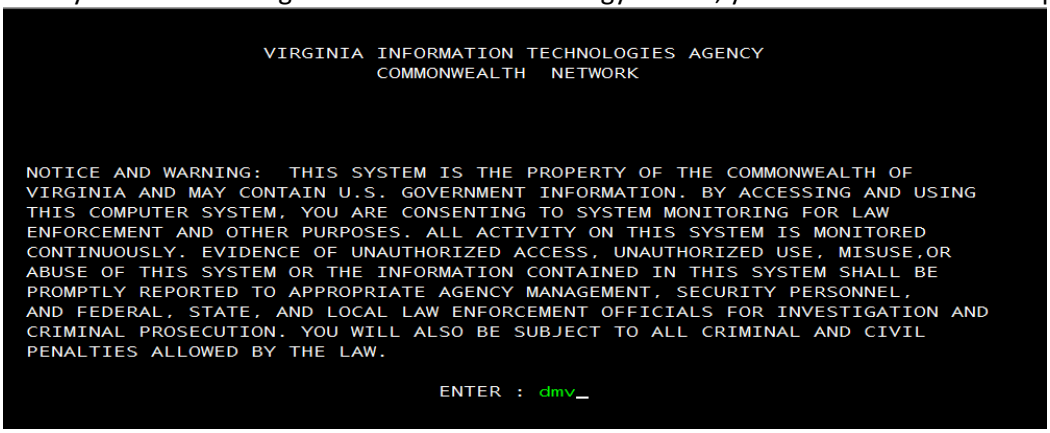
Exhibit 25b –Division of Motor Vehicles (DMV)

Division of Motor Vehicles (DMV):

You can access DMV also by clicking on DMV icon from your blue desktop. If you already have a session open in VEC in the "Attachment Reflection" program, you may click on the "File" tab at the top left hand side of the screen and then select "DMV" from the "Recent Documents". If opening an additional tab, this will allow you to toggle between DMV and VEC.

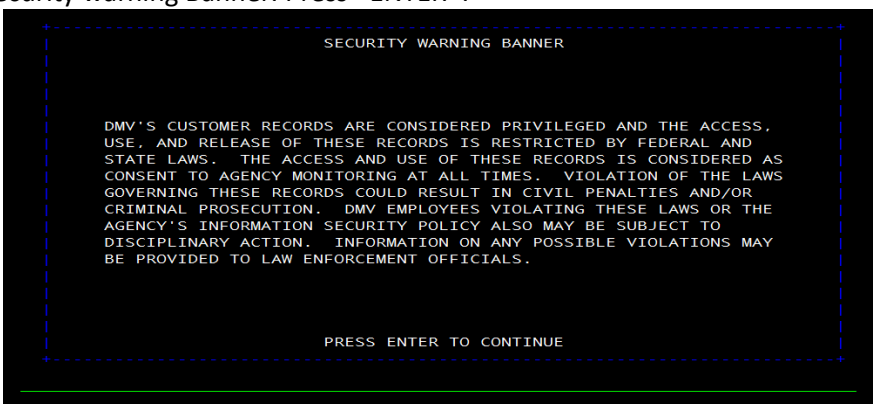


Once you are at the Virginia Information Technology Screen, you will enter "DMV" and press <ENTER>.



Enter your user name and password and press <ENTER>.

You will see a security warning Banner. Press <ENTER>.



You will now be on the CSS Main Menu. Field Agents are external user, so you will always Enter “Q” at the bottom and press <ENTER>.

```
Jul 16,20                    CSSMEN - CSS MAIN MENU                    09:41 AM
CSSMENPA CSSMENMA
=> ____________________________________________________________________ 195 CSS-PROD

_ A. COMPLIANCE MENU ........... COMENU   _ O. TRANSCRIPTS MENU ........ TRNMEN
_ B. CUSTOMER INFORMATION MENU . CIMENU   _ P. SYSTEM SUPPORT MENU ..... SSMENU
_ C. CUSTOMER MAINTENANCE MENU . CMMENU   _ Q. EXTERNAL USER MENU ...... EXTSUB
_ D. DRIVER IMPROVEMENT MENU ... DISUB    _ R. ........................
_ E. DRIVER LICENSE MENU ....... DLMENU   _ S. RENTAL COMPANY LOOKUP ... TTLRTX
_ F. ENFORCE STATUTES MENU ..... ESMENU   _ T. RETURNED CHECKS MENU .... RCMAIM
_ G. EVENTS MENU ............... EVMENU   _ U. KIES MENU ............... KIMENU
_ H. FISCAL AFFAIRS MENU ....... FAAMEN   _ V. DEALER MENU ............. DEMAIN
_ I. HQ WK UNIT FINANCIAL MENU . HQWKMN   _ W. CITATION TRACKING MENU .. CTMENU
_ J. IRP MENU .................. REGMEN   _ X. MOTOR CARRIER SERVICES .. MCMAIN
_ K. PERMITS MENU .............. PMTMEN
_ L. VIN PLATE ISSUE ........... TTLMEN
_ M. VEHICLE REGISTRATION MENU . REGMEN   _ 2. NEXT MENU                 CSSMN2
_ N. VEHICLE TITLE MENU ........ TTLMEN   _ Z. TERMINATE FROM CSS

                          ENTER CHOICE: q

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
      Help        Exit  Cmdl  Sess                     Forms Notes       Utils
```

This is the external User Menu. Not all options are available for all users. Your user agreement number and request reason code automatically displays and determines which screens you are authorized to access.

```
                        EXTSUB - EXTERNAL USER MENU
=> ____________________________________________________________ 07/16/20 09:44

A.  DRIVER TRANSCRIPT                        L.  VEHICLE TRANSCRIPT
B.  ORDER INQUIRY                            M.  VEHICLE INQUIRY
C.  CUSTOMER PRIMARY INFORMATION             N.  VEHICLES OWNED BY CUSTOMER
D.  DRIVER PRIMARY STATUS                    O.  INACTIVE VEH OWNED BY CUSTOMER
E.  PRIOR NAME / ADDRESS                     P.  CURRENT PLATE OWNER INQUIRY
F.  DRIVER LICENSE HISTORY                   Q.  PRIOR PLATE OWNER INQUIRY
G.  ACCIDENTS                                R.  CURRENT PLATES ON VEHICLE
H.  CONVICTIONS                              S.  PRIOR PLATES ON VEHICLE
I.  NAME INQUIRY                             T.  VEHICLE LIEN INFO INQUIRY
J.  SR22 COMPLIANCE FILING                   U.  VEHICLE OWNER(S) INQUIRY
K.  MONTHLY BILLING REGISTER                 V.  PREVIOUS VEHICLE OWNER(S)
X.  VASAP MENU                               W.  AKA BUSINESS NAME INQUIRY
Y.  DRIVER HEADER INFORMATION                Z.  VEHICLE STOP PROCESSING
1.  VOLUNTARY CLINIC                         2.  EXTERNAL USER MENU 2
ENTER CHOICE: _        USE AGREE: 00Z09  MOU NO:
CUST#: ____________    NM: _ / ____________________________________
BIRTH: ________        SEX: _
 PLT#: ___________     TYP: _____    TTL#: ___________      GAR JURIS: ____
  VIN: ________________________       MKE: ____________________
            DOCUMENT INFO: ___________  ____________________ REQ RSN: TX
```

On the external user menu, you will see options A-Z, one and two. Each is a different inquiry and requires specific customer information to perform the search. Field Agents have access to the following screens:

- C - Customer Primary Information: Requires you to search using the social security number, FEIN or driver’s licenses number. Not all taxpayers with FEIN’s will be found in DMV.
    - On this screen you will find the following:
        - Customer’s name
        - Customer number
        - Social security number
        - Date of birth
        - Current mailing address and sometimes physical address

```
                    CUSINF - CUSTOMER PRIMARY INFORMATION
=> _____________________________________________________________ 07/16/20 14:34
 CUST NO: [redacted]          NAME: [redacted]
   BIRTH:                      SEX:        CUST NAME TYPE: B

 UPDT DT: 04/09/19

 PRIMARY MAILING ADDRESS:    EFF: 08/24/95
  AD1: [redacted]                                  /
 CITY: SMITHFIELD                ST: VA    ZIP: 234301917    CTRY:
JURIS: SURRY

 DWELLING LOCATION:    EFF:
  AD1:                                             /
 CITY:                           ST:       ZIP:              CTRY:
```

- D – Driver Primary Status: Requires you to search using the social security number or FEIN.
  - On this screen you will find the following:
    - Customer's name
    - Customer number
    - Social security number
    - Date of birth
    - Current mailing address and sometimes physical address
    - Different licenses issued to the customer
    - Physical description of the person
    - Issue date and expiration date of the license
    - May have license surrender date

```
                    DRSTAT - DRIVER PRIMARY STATUS
=> _____________________________________________________________ 07/16/20 14:52
 CUST NO: [redacted]          NAME: [redacted]
   BIRTH: 06/23/1989          SEX: M      DR STATUS: REVOKED
          SSN: [redacted]                   CDL STAT: REVOKED
 UPDT DT: 04/05/20                     DR INSTR PER STAT: REVOKED
                                      CDL INSTR PER STAT: REVOKED
                                       MC INSTR PER STAT: REVOKED
                                             ID STATUS: ISSUED

 PRIMARY MAILING ADDR: EFF: 09/04/19
  AD1: [redacted]                                  /
  CITY:                          ST: VA    ZIP: 235021822    CTRY:
 JURIS: NORFOLK                                IMAGE EXP DATE:    /  /
 DESCRIPT: WGT: 237 HGT: 601 EYE: BR HAIR: BR LIC RET DTE:          RET CD:
   LIC TYPE:        ISS TYPE:        ISS DATE:                EXP DATE:
    ISS RSN:        SURR RSN:        SURR DATE:          CRT RST END DTE:
  RESTRICTIONS: NONE
  MC CLASS:       CLASS:       ENDOR:
  LP DTE:            LP CD:     EXT BDTE:          EXT EDTE:          EXT TP:
        FR REQ:       DRIVER ED:
      ID CARD: Y      POINT BAL:
    PF9=DRELIG  PF11=ORDERS  PF12=EVENTS  PF13=SR22  PF14=HOCERT PF15=DLHIST
```

- E – Prior Name and/or address: Requires you to search using the social security number or FEIN.
  - On this screen you will find the following:
    - Prior names and effective dates
    - Prior addresses and effective dates

```
                    PRNMAD - PRIOR NAME/ADDRESS INQUIRY
=> _____________________________________________________
 Customer No:                NAME:
   Full Name:

   Birth: 06/23/1989       Sex: M    Eff Date: 10/03/06

 PRIOR NAME(S)                                EFF DATE



 PRIOR MAILING ADDRESS:              Source:
  Ad1:                                          Eff Date: 01/12/16
  Ad2:                                               Loc:
 City: NORFOLK                   St: VA    Zip: 235231809   Ctry:
 Juris: NORFOLK

 PRIOR DWELLING LOCATION:            SOURCE:
  Ad1:                                          Eff Date:
  Ad2:                                               Loc:
 City:                           St:       Zip:            Ctry:
```

- I – Name Inquiry: Screen allows you to search by an individual or business name. You will enter the name (John Smith or Smith Enterprises) and press <ENTER>. Continue to press enter to scroll down to locate the taxpayer you are looking for.

```
 PAGE: 1                    NMINQ- CUSTOMER NAME INQUIRY          07/16/20 15:08

 A                                  CUST NO:
                                      BIRTH:                 SEX:
                                      JURIS:   GEORGIA
                                                               PRIOR NM/ADDR: Y

 B      Results from name           CUST NO:
        search will appear here.      BIRTH:                 SEX:
                                      JURIS:   SURRY
                                                               PRIOR NM/ADDR: Y

 C                                  CUST NO:
                                      BIRTH:                 SEX:
                                      JURIS:
                                                               PRIOR NM/ADDR: N

 D                                  CUST NO:
                                      BIRTH:                 SEX:
                                      JURIS:
                                                               PRIOR NM/ADDR: N
                             ENTER CHOICE: _      PRINT COMMAND: __________
   PF3 = EXIT     PF7 = BACKWARD     PF8 = FORWARD    ENTER = SELECT OR CONTINUE
```

The next few screens will help with locating lien sources.

- M – Vehicle Inquiry: Requires you to search using the social security number or FEIN.
  - On this screen you will find the following:
    - List customer vehicles
    - Shows lienholders
    - VIN number
    - Title number
  - You can select each vehicle by enter the corresponding letter “Enter Choice”.
  - PF6 > Page forward to the C screen
  - PF8 > Page forward to the D screen
  - PF3 > Return to the beginning

```
                    VEHCUS - VEHICLES CURRENTLY OWNED BY CUSTOMER
=>                                                                    07/16/20 15:11
    CUST#:                    NM: B /
START TTL#:

 A. MKE: CADILLAC            BDY: HEARSE        YR: 2003  PLT#:
    VIN:                                  #OWNERS: 1    PLT TYP: PASSENGER
    TTL#:                                  #LIENS: 1  EXPIRE DT: 03/31/22
    GAR JUR: SURRY                         #STOPS: 1   PLT STAT: RENEWAL

 B. MKE: CADILLAC            BDY: LIM           YR: 2000  PLT#:
    VIN:                                  #OWNERS: 2    PLT TYP: STANDARD ISSUE
    TTL#:                                  #LIENS: 0  EXPIRE DT: 11/30/19
    GAR JUR: SURRY                         #STOPS: 1   PLT STAT: RENEWAL SURR

 C. MKE:                     BDY:               YR:       PLT#:
    VIN:                                  #OWNERS:      PLT TYP:
    TTL#:                                  #LIENS:    EXPIRE DT:
    GAR JUR:                               #STOPS:     PLT STAT:

                         ENTER CHOICE: _

PF: 6=CUSINF  7=VEHOWN  8=VEHLIN  9=VEHCPV  10=VEHINA  11=VEHPPV  12=VEHPRO
M5067 END OF INQUIRY
```

- When you select “A” and press <ENTER>, vehicles owned by both the taxpayer and/or the business will display. There are multiple screens under this selection; you will press <ENTER> to see those. You will notice here the additional options “A - L”.
- On this screen you will find the following:
  - VIN number
  - Title number
  - Year, make and model
  - Purchase price
  - Plate number
  - Purchase date

```
                    VEHINQ - VEHICLE INQUIRY (PAGE 1)
=>                                                                    07/16/20 15:14
 CUST#:                    NM: B /
 CUST#:                    NM:   /
 ADDR:
 CITY: SMITHFIELD                    ST: VA ZIP: 23430-1917 CTRY:    #OWNERS: 1
 GAR JUR: SURRY                EX:          CHG DT:          MOVE DT:
 TOT PRICE:                REB:            SALE:    33,500.00 TAX:     1,005.00
       VIN:                          MKE: CADILLAC            BDY: HEARSE
 PPTR: BUSINESS  YR: 2003 MODEL: COMMERCIAL CHAS  TAX RT:  3.00% FUEL: GAS
 EMPTY WT:  5,268  GROSS WT:          RATED WT:          GCWR:          AXLE: 2
   TTL ODOM: 52932  ODOM CD: A CUR YR ODOM:              VEH TYP: PASS CARRY
NEW/USE/DMST: U TAX TTL:                GREY MKT:          DISP DT:
       TTL#:                   TTL EST DT: 11/28/11   LAST CHG DT: 03/09/20
 PRIOR TTL#:                LAST TTL TYP: ORIGINAL     TTL DOC DT: 11/28/11
TTL HELD:  #LIENS: 1 EMIS CD:              TEST DT:          DUE DT:
VEH OWNRSHP: SOUTH CAROLINA                EMIS OOS:     PURCH DT: 11/18/11
 #CURR PLTS: 1   #PLTS ISS: 2  VEH USE: P IRP EXMPT:   TEMP PLT#:
PLT#:          REG STAT: A  EFFECT DT: 03/09/20   TEMP PLT TYP:
    PLT TYP: PA___ STKR:          MT PLT DT: 11/28/11 TEMP EXP DT:
   PLT STAT: RENEWAL          EXPIRE DT: 03/31/22  TEMP PLT STAT:
  PLT IMAGE:          REG PRD: 2 FULL YEARS  REG LOC/USER ID: 201 / DMVZ23
PF: 6=CUSINF 7=CMMENU 8=DRSTAT
```

```
                    VEHNQ2 - VEHICLE INQUIRY (PAGE 2)
=>                                                                  07/16/20 15:18
 CUST#:                          NM: B /
 CUST#:                          NM:   /
 CUST OWNRSHP:                   AKA BUS NM:
 SSN:            DOT:            DLR: OUT OF STATE DEALER, OS
TNC:            DLR PROC:          TAX:        CUR VCO: SILVER      /
REN NTC DT:          UMV:           INS CK: Y ORI VCO: SILVER      /
TTL UNDEL:           MH LGT:    WDTH:    BS CAP:    SL CD:       DIV CD:
ADDL VIN:                          MKE:                     YR:      AWARDS:
PRIOR JURIS:                          JUR CHG LOC:
HP IND:                         RNTOR#:                 LOC: 655 / 065511 SALV:
SALV BYP IND:   ACT CASH VAL:              EST COST REPR:             DAMG%:
OOS TTL:                           ACCT:        FLT:     UNT:
SPECIAL VEHICLE CONDITIONS:
                                          DISP IND:   DISP CD#:        DISP ST:
DISP:                           DISP DT:           DISP JURIS:
LOGVEH DT:                      DISB DT:           DISB JURIS:
 A ADD'L OWN:    D PRIOR OWN:      G PRIOR PLTS: Y   J STOPS: Y     M ALT ADR:
 B LIEN(S): Y    E HVUT:           H REG ADDRESS:    K TITL ACT: Y  N VEHINQ3: Y
 C TTL HELD:     F CURR PLTS: Y    I PERMITS:        L PROR HST:    O TTLDSP:
REN NTC PRT CD:                                          ENTER CHOICE:  _
PF: 6=CUSINF  7=CMMENU  8=DRSTAT  9=REVDIS  10=MVEINQ
```

- The most valuable to tax would be option “B” –“liens”. Select option “B” by entering the letter and pressing <ENTER>.

```
                    VEHNQ2 - VEHICLE INQUIRY (PAGE 2)
=>                                                                  07/16/20 15:18
 CUST#:                          NM: B /
 CUST#:                          NM:   /
 CUST OWNRSHP:                   AKA BUS NM:
 SSN:            DOT:            DLR: OUT OF STATE DEALER, OS
TNC:            DLR PROC:          TAX:        CUR VCO: SILVER      /
REN NTC DT:          UMV:           INS CK: Y ORI VCO: SILVER      /
TTL UNDEL:           MH LGT:    WDTH:    BS CAP:    SL CD:       DIV CD:
ADDL VIN:                          MKE:                     YR:      AWARDS:
PRIOR JURIS:                          JUR CHG LOC:
HP IND:                         RNTOR#:                 LOC: 655 / 065511 SALV:
SALV BYP IND:   ACT CASH VAL:              EST COST REPR:             DAMG%:
OOS TTL:                           ACCT:        FLT:     UNT:
SPECIAL VEHICLE CONDITIONS:
                                          DISP IND:   DISP CD#:        DISP ST:
DISP:                           DISP DT:           DISP JURIS:
LOGVEH DT:                      DISB DT:           DISB JURIS:
 A ADD'L OWN:    D PRIOR OWN:      G PRIOR PLTS: Y   J STOPS: Y     M ALT ADR:
 B LIEN(S): Y    E HVUT:           H REG ADDRESS:    K TITL ACT: Y  N VEHINQ3: Y
 C TTL HELD:     F CURR PLTS: Y    I PERMITS:        L PROR HST:    O TTLDSP:
REN NTC PRT CD:                                          ENTER CHOICE:  B
PF: 6=CUSINF  7=CMMENU  8=DRSTAT  9=REVDIS  10=MVEINQ
```

If no lien information is available for a vehicle, you will see the banner “no additional information found for this selection”.

Check under the FEIN (XXXXXXXXX) for other vehicles with possible lien sources. A “Y” will be listed by “# of liens”. This is a quick way to tell if there is a possible lien source. Select the first vehicle “A” and press <ENTER>. This in the “Vehicle Inquiry “screen so remember there are multiple screens so continue to press <ENTER> until you get to the last page.

If there is a “Y” next to “liens”, enter option “B” and press <ENTER> and you will see the lien holder.

```
                    VEHLIN - VEHICLE LIEN INQUIRY
=>                                                                  07/16/20 15:24
CUST#:                NM: B /
CUST#:                NM:   /
 TTL#:                TTL EST DT: 11/28/11  YR: 2003 PURCH DT: 11/18/11
 VIN:                 MKE: CADILLAC                BDY: HEARSE
                    #LIENS: 1                  #OWNERS: 1
LIEN#: 1 FILING DT: 11/28/11  TYP: ORIGINAL  LIEN ST: ADDED     ST DT: 11/28/11
LIENHLDR NM:                                              LIENHLDR CD: OS
ADDR:                                  /
CITY: WOODSTOCK               STATE: GA  ZIP: 30188       CTRY:

LIEN#:   FILING DT:           TYP:           LIEN ST:           ST DT:
LIENHLDR NM:                                              LIENHLDR CD:
ADDR:                                  /
CITY:                         STATE:     ZIP:             CTRY:

LIEN#:   FILING DT:           TYP:           LIEN ST:           ST DT:
LIENHLDR NM:                                              LIENHLDR CD:
ADDR:                                  /
CITY:                         STATE:     ZIP:             CTRY:

PF: 7=PREV PAGE 8=NEXT PAGE 9=VEHINQ
M5067 END OF INQUIRY
```

NOTE: Sometimes you will find that the taxpayer has the vehicle financed through the bank that the taxpayer does their banking. Other times, you will simply find a finance company like "GMAC".

- N – Vehicles Owned by Customer: We have access to this screen however, when you make the vehicle selection, it takes you to the "M" screen.

```
                    EXTSUB - EXTERNAL USER MENU
=>                                                                  07/16/20 15:31

A.  DRIVER TRANSCRIPT                        L.  VEHICLE TRANSCRIPT
B.  ORDER INQUIRY                            M.  VEHICLE INQUIRY
C.  CUSTOMER PRIMARY INFORMATION             N.  VEHICLES OWNED BY CUSTOMER
D.  DRIVER PRIMARY STATUS                    O.  INACTIVE VEH OWNED BY CUSTOMER
E.  PRIOR NAME / ADDRESS                     P.  CURRENT PLATE OWNER INQUIRY
F.  DRIVER LICENSE HISTORY                   Q.  PRIOR PLATE OWNER INQUIRY
G.  ACCIDENTS                                R.  CURRENT PLATES ON VEHICLE
H.  CONVICTIONS                              S.  PRIOR PLATES ON VEHICLE
I.  NAME INQUIRY                             T.  VEHICLE LIEN INFO INQUIRY
J.  SR22 COMPLIANCE FILING                   U.  VEHICLE OWNER(S) INQUIRY
K.  MONTHLY BILLING REGISTER                 V.  PREVIOUS VEHICLE OWNER(S)
X.  VASAP MENU                               W.  AKA BUSINESS NAME INQUIRY
Y.  DRIVER HEADER INFORMATION                Z.  VEHICLE STOP PROCESSING
1.  VOLUNTARY CLINIC                         2.  EXTERNAL USER MENU 2
ENTER CHOICE:  _        USE AGREE: 00Z09  MOU NO:
CUST#:                  NM: I /
BIRTH: 06231989         SEX: M
 PLT#:                  TYP:        TTL#:                 GAR JURIS:
  VIN:                   MKE:
                                                          REQ RSN: TX
M1726 NO VEHICLES ON FILE OWNED BY THIS CUSTOMER
```

```
                    VEHCUS - VEHICLES CURRENTLY OWNED BY CUSTOMER
=>                                                                    07/16/20 15:11
     CUST#:                    NM: B /
START TTL#:

 A. MKE: CADILLAC            BDY: HEARSE       YR: 2003  PLT#:
    VIN:                                  #OWNERS: 1    PLT TYP: PASSENGER
    TTL#:                                  #LIENS: 1  EXPIRE DT: 03/31/22
    GAR JUR: SURRY                         #STOPS: 1   PLT STAT: RENEWAL

 B. MKE: CADILLAC            BDY: LIM          YR: 2000  PLT#:
    VIN:                                  #OWNERS: 2    PLT TYP: STANDARD ISSUE
    TTL#:                                  #LIENS: 0  EXPIRE DT: 11/30/19
    GAR JUR: SURRY                         #STOPS: 1   PLT STAT: RENEWAL SURR

 C. MKE:                     BDY:              YR:       PLT#:
    VIN:                                  #OWNERS:      PLT TYP:
    TTL#:                                  #LIENS:    EXPIRE DT:
    GAR JUR:                               #STOPS:     PLT STAT:

                         ENTER CHOICE: _

PF: 6=CUSINF  7=VEHOWN  8=VEHLIN  9=VEHCPV  10=VEHINA  11=VEHPPV  12=VEHPRO
M5067 END OF INQUIRY
```

- O – Inactive Veh Owned by Customer: Even though the vehicle is inactive, you may see some lien information on the vehicle.
    - On this screen you will find the following:
        - List vehicles previously owned
        - Disposition date

```
                    VEHINA - INACTIVE VEHICLES OWNED BY CUSTOMER
=>                                                                    07/16/20 15:37
   CUST#:                    NM: B /

 A.  MKE: CADILLAC                BDY: 6D SW              PLT#:
     VIN:                          YR: 1998            PLT TYP:
     TTL#:            GAR JUR: SURRY                       PLT EXP DT:
     DISP: SOLD       DISP DT: 05/25/19 #OWNERS: 1 #LIENS: 0 DEACT DT:

 B.  MKE:                         BDY:                    PLT#:
     VIN:                          YR:                 PLT TYP:
     TTL#:            GAR JUR:                             PLT EXP DT:
     DISP:            DISP DT:          #OWNERS:   #LIENS:   DEACT DT:

 C.  MKE:                         BDY:                    PLT#:
     VIN:                          YR:                 PLT TYP:
     TTL#:            GAR JUR:                             PLT EXP DT:
     DISP:            DISP DT:          #OWNERS:   #LIENS:   DEACT DT:

                         ENTER CHOICE: _

PF: 6=CUSINF  7=VEHOWN  8=VEHLIN  9=VEHINQ  10=VEHCPV  11=VEHPPV  12=VEHPRO

M1921 END OF INQUIRY
```

- P – Current Plate Owner Inquiry: This screen allows you to search by the license plate number of the vehicle.
    - On this screen you will find the following:
        - Reports date plates number was issued
        - Expiration date
        - Name of the customer that the plate was issued to
        - VIN number of the vehicle that goes to that plate number

```
                    VEHCPO - CURRENT PLATE OWNER INQUIRY
=>                                                                  07/16/20 15:41
PLT#:                    PLT TYP:          START PLT TYP:                PAGE: 1
 MKE:
SEL
 A  PLT#/TYP/STKR:                PASSENGER                   MKE: CADILLAC
    REG STAT: ACTIVE                                   BDY TYP: HEARSE          YR: 2003
      EFF DT: 03/09/20    EXP DT: 03/31/22                VIN:
   MT PLT DT: 11/28/11        RSV: Y                SUR DT/RSN:
       CUST#:                   NM:
   PLT STOPS:                                                TTL#:

 B  PLT#/TYP/STKR:                                           MKE:
    REG STAT:                                          BDY TYP:                YR:
      EFF DT:             EXP DT:                         VIN:
   MT PLT DT:                RSV:                SUR DT/RSN:
       CUST#:                   NM:
   PLT STOPS:                                                TTL#:

                          ENTER CHOICE: _

PF: 7=PREV PAGE    8=NEXT PAGE    9=VEHINQ    10=VEHPPO    11=REGMNT
M5067 END OF INQUIRY
```

NOTE: This is useful when you are in the field. When in the field, write down the license plate numbers of any vehicles at the place of business or residence. When you are able to locate the vehicle information by the plate number, you identify your taxpayer and possibly locate additional lien sources.

- Q – Prior Plate Owner Inquiry: This screen search is performed using the plate number.
  - On this screen you will find the following:
    - Shows who held the plate previously
    - Make and model of the vehicle
    - Customer's name
    - Social security number
    - Customer number
    - Date issued and date expired

```
                    VEHPPO - PRIOR PLATE OWNER INQUIRY
=>                                                                  07/16/20 15:46
PLT#:                    PLT TYP:          START PLT TYP:                PAGE: 1
 MKE:
SEL
 A PLT#/TYP/STKR:                PASSENGER                   MKE: CADILLAC
   DEAC DT/RSN: 03/09/20 RENEWAL                    BDY TYP: HEARSE          YR: 2003
      EFF DT: 03/28/19    EXP DT: 03/31/20              VIN:
   MT PLT DT: 11/28/11        RSV: Y                SUR DT/RSN:
       CUST#:                   NM:
   PLT STOPS:                                                TTL#:

 B PLT#/TYP/STKR:                                           MKE:
   DEAC DT/RSN:                                     BDY TYP:                YR:
      EFF DT:             EXP DT:                         VIN:
   MT PLT DT:                RSV:                SUR DT/RSN:
       CUST#:                   NM:
   PLT STOPS:                                                TTL#:

                          ENTER CHOICE: _

PF: 7=PREV PAGE    8=NEXT PAGE    9=VEHINQ    10=VEHCPO    11=REGACT
M5067 END OF INQUIRY
```

- R – Current Plates on Vehicle: This screen allows you to search by customer number, name, plate number, or VIN. Once the search is completed, it forward you to the "M" Screen Vehicle Inquiry Screen.

```
                    VEHCPV   CURRENT PLATES ON VEHICLE INQUIRY
=> ____________________________________________________________ 07/16/20 15:49
                                                                   PAGE: 1
CUST#: [redacted]___ NM: B / [redacted]
 TTL#: [redacted]_ VIN: [redacted]_____ PLT#: [redacted]___ PLT TYP: _____
  MKE: CADILLAC            BDY: HEARSE          YR: 2003 VEH TYP: PASS CARRY

                        PLT        PLT        SURR       REG       PLT
SEL      PLT#/TYP       EXP      STATUS       DATE     STATUS    STOPS   SEQ#
 A [redacted]     / PA   03/31/22 RENEWAL                ACTIVE      N     993

 B

 C

 D

 E

                              ENTER CHOICE: _

PF: 7=PREV PAGE  8=NEXT PAGE  9=VEHINQ  10=VEHPPV  11=REGMNT

M5067 END OF INQUIRY
```

- S – Prior Plates on Vehicle: This screen allows a search by name, VIN number, or title number.
  - A name look up will show prior plates that a particular person had
  - A VIN look up gives prior plates for the vehicle

```
                    VEHPPV - PRIOR PLATES ON VEHICLE INQUIRY
=> ____________________________________________________________ 07/16/20 15:51
                                                                   PAGE: 1
CUST#: [redacted]___ NM: B / [redacted]
 TTL#: [redacted]___ VIN: [redacted]_____ PLT#: [redacted]___ PLT TYP: _____
  MKE: CADILLAC            BDY: HEARSE          YR: 2003 VEH TYP: PASS CARRY

                        PLT        PLT       DEAC       REG       PLT
SEL      PLT#/TYP       EXP      STATUS      DATE     STATUS    STOPS   SEQ#
 A [redacted]     / PA   03/31/20 RENEWAL  03/09/20 ACTIVE        N     994

 B

 C

 D

 E

                              ENTER CHOICE: _

PF: 7=PREV PAGE  8=NEXT PAGE  9=VEHINQ  10=VEHCPV  11=REGACT

M5067 END OF INQUIRY
```

- T – Vehicle Lien Info Inquiry: This screen moves to the “N” Screen and after making a vehicle selection, it will move to the “M” screen. Enter the SSN or FEIN in the customer number field.

```
                    VEHCUS - VEHICLES CURRENTLY OWNED BY CUSTOMER
=>                                                                  07/16/20 15:11
     CUST#:                    NM: B /
START TTL#:

 A. MKE: CADILLAC              BDY: HEARSE        YR: 2003  PLT#:
    VIN:                                      #OWNERS: 1    PLT TYP: PASSENGER
    TTL#:                                      #LIENS: 1  EXPIRE DT: 03/31/22
    GAR JUR: SURRY                             #STOPS: 1   PLT STAT: RENEWAL

 B. MKE: CADILLAC              BDY: LIM           YR: 2000  PLT#:
    VIN:                                      #OWNERS: 2    PLT TYP: STANDARD ISSUE
    TTL#:                                      #LIENS: 0  EXPIRE DT: 11/30/19
    GAR JUR: SURRY                             #STOPS: 1   PLT STAT: RENEWAL SURR

 C. MKE:                       BDY:               YR:       PLT#:
    VIN:                                      #OWNERS:      PLT TYP:
    TTL#:                                      #LIENS:    EXPIRE DT:
    GAR JUR:                                   #STOPS:     PLT STAT:

                          ENTER CHOICE: _

PF: 6=CUSINF  7=VEHOWN  8=VEHLIN  9=VEHCPV  10=VEHINA  11=VEHPPV  12=VEHPRO
M5067 END OF INQUIRY
```

- U – Vehicle Owner(s) Inquiry: This screen allows you to use F7, F8, or F9 keys to short cut to other screens previously listed on the reference guide.

```
                    VEHCUS - VEHICLES CURRENTLY OWNED BY CUSTOMER
=>                                                                  07/16/20 15:56
     CUST#:                    NM: B /
START TTL#:

 A. MKE: CADILLAC              BDY: HEARSE        YR: 2003  PLT#: POOLES3
    VIN: 1GEEH00Y23U500105                    #OWNERS: 1    PLT TYP: PASSENGER
    TTL#: 61947640                             #LIENS: 1  EXPIRE DT: 03/31/22
    GAR JUR: SURRY                             #STOPS: 1   PLT STAT: RENEWAL

 B. MKE: CADILLAC              BDY: LIM           YR: 2000  PLT#: POOLES4
    VIN: 1GEEH90Y1YU550148                    #OWNERS: 2    PLT TYP: STANDARD ISSUE
    TTL#: 71351824                             #LIENS: 0  EXPIRE DT: 11/30/19
    GAR JUR: SURRY                             #STOPS: 1   PLT STAT: RENEWAL SURR

 C. MKE:                       BDY:               YR:       PLT#:
    VIN:                                      #OWNERS:      PLT TYP:
    TTL#:                                      #LIENS:    EXPIRE DT:
    GAR JUR:                                   #STOPS:     PLT STAT:

                          ENTER CHOICE: _

PF: 6=CUSINF  7=VEHOWN  8=VEHLIN  9=VEHCPV  10=VEHINA  11=VEHPPV  12=VEHPRO
M5067 END OF INQUIRY
```

- V – Previous Vehicle Owner(s): On the “V” screen, you have to search using a VIN or title number and it gives a list of previous owners of the vehicle.

```
                         EXTSUB - EXTERNAL USER MENU
=>                                                                  07/16/20 16:01

A.  DRIVER TRANSCRIPT                        L.  VEHICLE TRANSCRIPT
B.  ORDER INQUIRY                            M.  VEHICLE INQUIRY
C.  CUSTOMER PRIMARY INFORMATION             N.  VEHICLES OWNED BY CUSTOMER
D.  DRIVER PRIMARY STATUS                    O.  INACTIVE VEH OWNED BY CUSTOMER
E.  PRIOR NAME / ADDRESS                     P.  CURRENT PLATE OWNER INQUIRY
F.  DRIVER LICENSE HISTORY                   Q.  PRIOR PLATE OWNER INQUIRY
G.  ACCIDENTS                                R.  CURRENT PLATES ON VEHICLE
H.  CONVICTIONS                              S.  PRIOR PLATES ON VEHICLE
I.  NAME INQUIRY                             T.  VEHICLE LIEN INFO INQUIRY
J.  SR22 COMPLIANCE FILING                   U.  VEHICLE OWNER(S) INQUIRY
K.  MONTHLY BILLING REGISTER                 V.  PREVIOUS VEHICLE OWNER(S)
X.  VASAP MENU                               W.  AKA BUSINESS NAME INQUIRY
Y.  DRIVER HEADER INFORMATION                Z.  VEHICLE STOP PROCESSING
1.  VOLUNTARY CLINIC                         2.  EXTERNAL USER MENU 2
ENTER CHOICE: v        USE AGREE: 00Z09  MOU NO:
CUST#: _               NM: _ /
BIRTH:                 SEX: _
 PLT#:                 TYP:        TTL#:                GAR JURIS:
  VIN:                          MKE:
          DOCUMENT INFO:                                REQ RSN: TX
M1704 NO RECORD FOUND
```

NOTE: Once you become acclimated in DMV, you will mostly use the “D”, “E”, “I”, “N”, “O”, and “I” functions. The information found on these screens are sometimes duplicated on other screens and sometimes screens are forwarded to these.

The large reference guide is a good source for additional information needed to search for each of the above screens.

Exhibit 25c – State Corporation Commission (SCC)

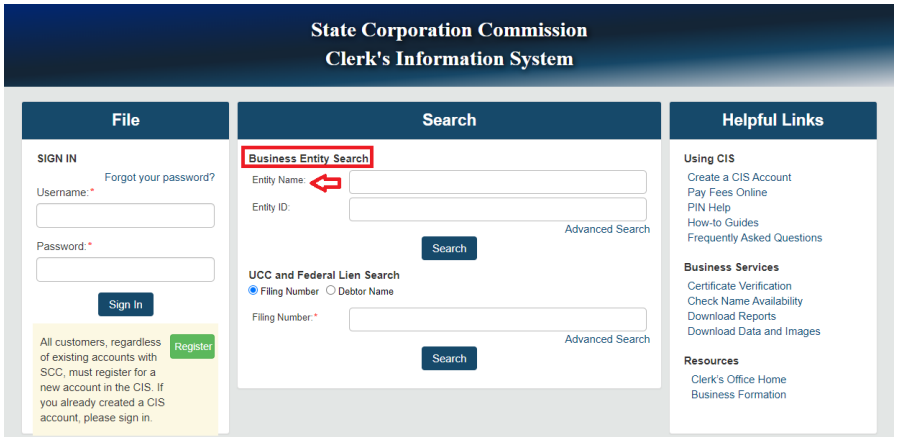
State Corporation Commission

The Clerk's Information System (CIS) is an online tool that allows the public to search for key business information and helps businesses to more quickly and easily make payments and submit most filings required under Virginia law. Users can manage their business information in one place from their online dashboard, including annual reports, online payments, certificates, and other correspondence, so nothing ever gets lost. Additionally, the system has controls in place to prevent common filing errors and allows for real-time approvals, so you do not have to wait to find out if a document was accepted.

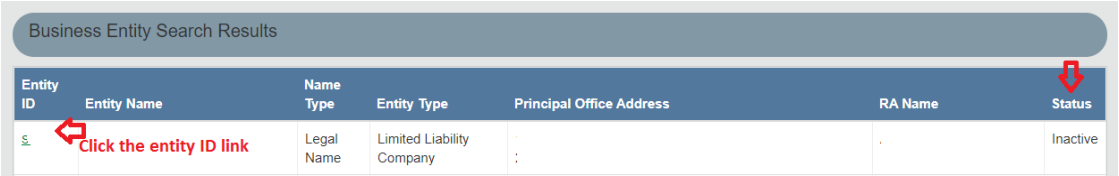
1. **How do I sign up for a CIS account in the new system?**
   You can create a CIS account online by entering your name, address, phone number, and email. You will need to create a username and secure password. A third-party identity management database will verify your information. If it matches, your account will be created, and you can begin using the new system immediately. For step-by-step instructions, see our How-to guide on creating an account here.
2. **I am getting the error message "Experian was not able to verify the name and home address combination." What do I need to do?**
   CIS includes an identity verification step that validates your identity by cross-referencing it to your home address, not your business address. If you are still seeing this error, visit our account help request form to view additional troubleshooting tips or to submit a request to the Clerk's Office.
3. **I created a new CIS account but forgot my password. How do I reset it?**
   You can reset your password by choosing the "Forgot your password?" option from the CIS login page. You will receive an email with the new password. It may take a few minutes to receive it.

https://cis.scc.virginia.gov/

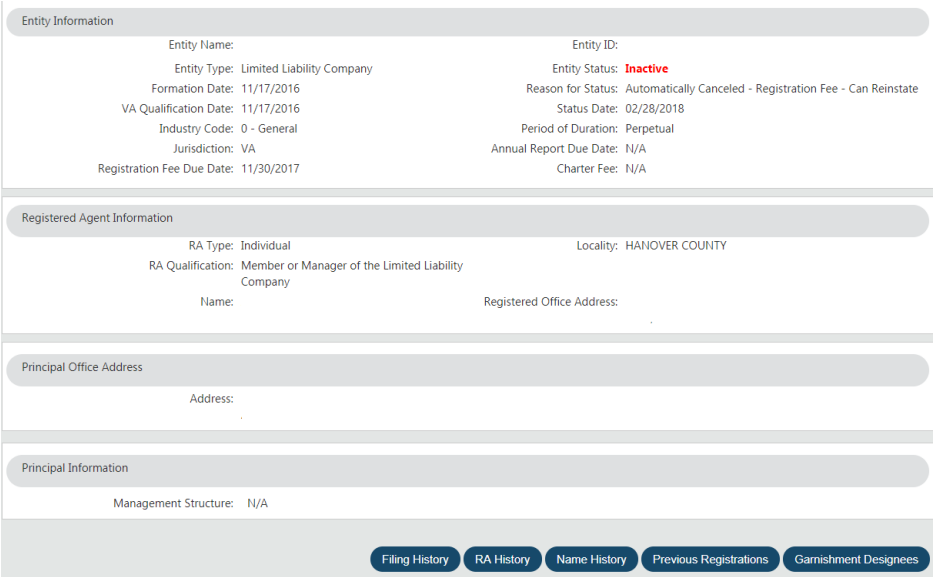
- Type in the name of the business you want to search.



- Click on the Entity ID to retrieve the business information

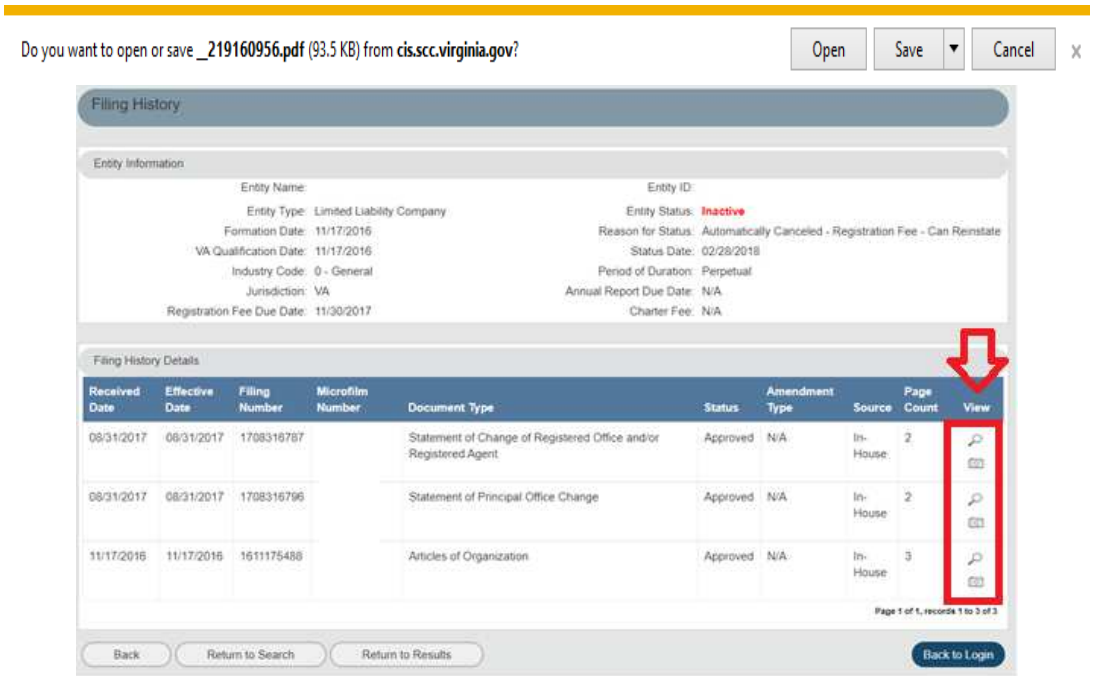


- This screen will give you the following information
  - Entity Name
  - Entity Type
  - Formation Date
  - Entity ID
  - Entity Status
  - Reason for Status
  - Status Date
  - Registered Agent Information
  - Principal Office Address
  - Principal Information

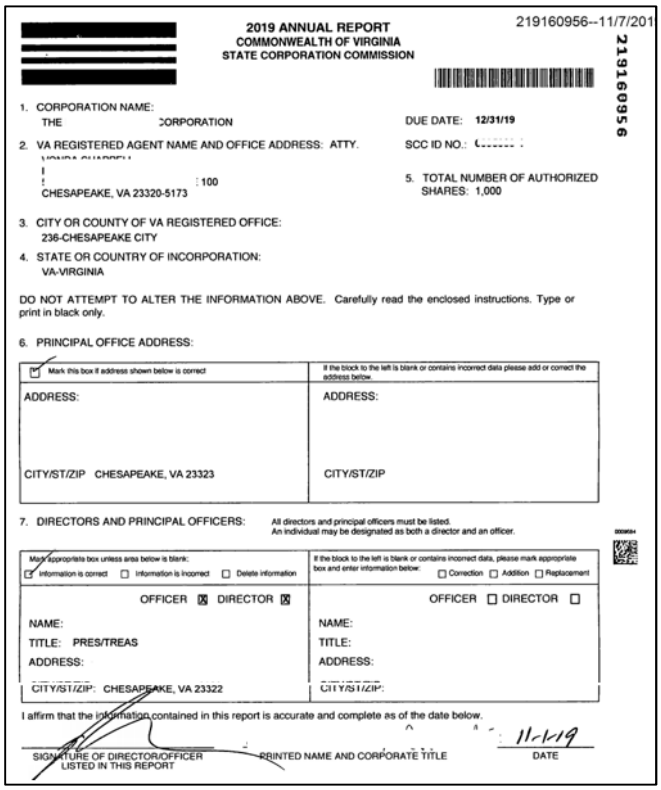


- You can click on any of the five tabs below to get additional information:
  - Filing History
  - RA History
  - Name History
  - Previous Registrations
  - Garnishment Designees
  - Back to Login

- Filing History – will give you the details of the business filings on file. Click on the magnifying glass under View and you can view the document that was filed. When prompted, do not "download" just click on "open" to view the document.



This is an example of an annual report filed with the State Corporation Commission.



2019 ANNUAL REPORT
COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

219160956--11/7/201

219160956

1. CORPORATION NAME:
THE CORPORATION

DUE DATE: 12/31/19

2. VA REGISTERED AGENT NAME AND OFFICE ADDRESS: ATTY.
CHESAPEAKE, VA 23320-5173 : 100

SCC ID NO.:

5. TOTAL NUMBER OF AUTHORIZED SHARES: 1,000

3. CITY OR COUNTY OF VA REGISTERED OFFICE:
236-CHESAPEAKE CITY

4. STATE OR COUNTRY OF INCORPORATION:
VA-VIRGINIA

DO NOT ATTEMPT TO ALTER THE INFORMATION ABOVE. Carefully read the enclosed instructions. Type or print in black only.

6. PRINCIPAL OFFICE ADDRESS:

☑ Mark this box if address shown below is correct	If the block to the left is blank or contains incorrect data please add or correct the address below.
ADDRESS:	ADDRESS:
CITY/ST/ZIP CHESAPEAKE, VA 23323	CITY/ST/ZIP

7. DIRECTORS AND PRINCIPAL OFFICERS: All directors and principal officers must be listed. An individual may be designated as both a director and an officer.

Mark appropriate box unless area below is blank: ☑ Information is correct ☐ Information is incorrect ☐ Delete information	If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: ☐ Correction ☐ Addition ☐ Replacement
OFFICER ☒ DIRECTOR ☒	OFFICER ☐ DIRECTOR ☐
NAME:	NAME:
TITLE: PRES/TREAS	TITLE:
ADDRESS:	ADDRESS:
CITY/ST/ZIP: CHESAPEAKE, VA 23322	CITY/ST/ZIP:

I affirm that the information contained in this report is accurate and complete as of the date below.

SIGNATURE OF DIRECTOR/OFFICER LISTED IN THIS REPORT | PRINTED NAME AND CORPORATE TITLE | 11-1-19 DATE

2019 ANNUAL REPORT CONTINUED

CORPORATION NAME:

DUE DATE: **12/31/19**
SCC ID NO.:

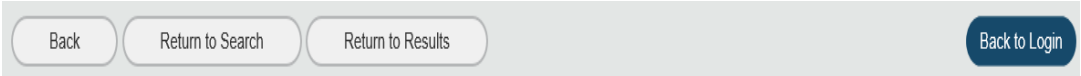
7. DIRECTORS AND PRINCIPAL OFFICERS: (continued)

All directors and principal officers must be listed.
An individual may be designated as both a director and an officer.

Mark appropriate box unless area below is blank: ☑ Information is correct ☐ Information is incorrect ☐ Delete information	If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: ☐ Correction ☐ Addition ☐ Replacement
OFFICER ☒ DIRECTOR ☐	OFFICER ☐ DIRECTOR ☐
NAME:	NAME:
TITLE: SECRETARY	TITLE:
ADDRESS:	ADDRESS:
CITY/ST/ZIP: CHESAPEAKE, VA 23322	CITY/ST/ZIP:
Mark appropriate box unless area below is blank: ☐ Information is correct ☐ Information is incorrect ☐ Delete information	If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: ☐ Correction ☐ Addition ☐ Replacement
OFFICER ☐ DIRECTOR ☐	OFFICER ☐ DIRECTOR ☐
NAME:	NAME:
TITLE:	TITLE:
ADDRESS:	ADDRESS:
CITY/ST/ZIP:	CITY/ST/ZIP:
Mark appropriate box unless area below is blank: ☐ Information is correct ☐ Information is incorrect ☐ Delete information	If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: ☐ Correction ☐ Addition ☐ Replacement
OFFICER ☐ DIRECTOR ☐	OFFICER ☐ DIRECTOR ☐
NAME:	NAME:
TITLE:	TITLE:
ADDRESS:	ADDRESS:
CITY/ST/ZIP:	CITY/ST/ZIP:

You can obtain officers of the business from this report.

At the bottom of most screens, you will find the following buttons:



BACK: Takes you back one screen
RETURN TO SEARCH: Returns you to the search screen
RETURN TO RESULTS: Will take you back to your Business Entity search results

UCC / Federal Tax Lien Search

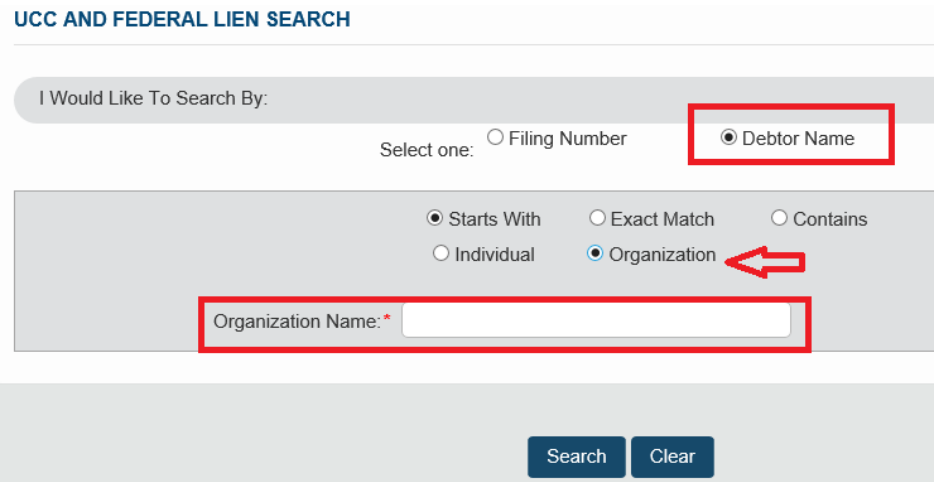
The Clerk's Information System (CIS) contains most information on file at the Commission for Uniform Commercial Code financing statements and federal tax liens. This information can be searched by the name of the debtor or secured party, or by the file number. The file number is a number assigned by the Clerk's Office once a filing has been processed. Images of UCC and federal tax lien documents filed in the Clerk's Office since October 1, 2003, in PDF format, are available in CIS.

1. Where can information be found regarding UCC Tax Liens Searches? https://cis.scc.virginia.gov/
2. Can UCC filings be viewed online? Yes, visit CIS to view filings online.

3. Does the index of UCC filings also include Tax Liens filing?
   UCC and Tax Lien searches can be performed as separate or combined searches.
4. What information is returned with the results from a UCC search?
   A search report includes the date of the search, the search criteria, number of records found, the type of search performed and data about the filing chains found. Filing chain data include the initial file number, debtor name(s), secured party name(s) and any associated subsequent filings.

Select Search By – Debtor Name

Select Organization and then type the business name



The Search will bring up the following screen. Click on the filing number to view the document.

Filing #	Filing Type	Action	Debtor Name	Debtor Address	Debtor Type	Lapse Date
13 478	UCC-1	Initial Financing Statement			Organization	05/23/2023
09 512	Federal Tax Lien	Notice of Federal Tax Lien			Organization	09/03/2019
13 478	UCC-1	Initial Financing Statement			Organization	05/23/2023
11 147	Federal Tax Lien	Notice of Federal Tax Lien			Organization	03/30/2021

The next page will give you more details and you will be able to view different documents that have been filed by selecting the magnifying glass.

Search Result

Search Results for UCC-1 Initial Financing Statement - Filing Number 130 78

Lien Information

IFS #	Microfilm #	Status	Date Filed	Lien Type	Lapse Date	Purge Date
130 478	1305 5	Unlapsed	05/23/2013	UCC-1 Initial Financing Statement	05/23/2023	05/23/2024

Debtor Information

Debtor Name	Debtor Address	Type
	23851 - 0000, USA	Organization
	23851 - 0000, USA	Organization

Secured Party Information

Secured Party Name	Secured Party Address	Type
SERVICES 1-770-	P.O GA, 30188 - 0000, USA	Organization

Filing History Information

Filing Number	Microfilm #	Filing Type	Filing Action	Date Filed	Source	View File
130 478	13 55	UCC-1	Initial Financing Statement	05/23/2013	In-House	
19 816	18 43	UCC-3	Continuation	04/05/2018	In-House	

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
C :ions 3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
ons

File Number 1 8
File Date and Time May 23, 2013 at 11:04 AM.
Filed Virginia State Corporation Commission
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
, INC.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: n St | CITY: Franklin | STATE: VA | POSTAL CODE: 23851 | COUNTRY

1d. SEE INSTRUCTIONS [redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: Corporation | 1f. JURISDICTION OF ORGANIZATION: VA | 1g. ORGANIZATIONAL ID #, if any: 7 | NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME
ant

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY: Franklin | STATE: VA | POSTAL CODE: 23851 | COUNTRY

2d. SEE INSTRUCTIONS [redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION: Corporation | 2f. JURISDICTION OF ORGANIZATION: VA | 2g. ORGANIZATIONAL ID #, if any | NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
18-5478

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: P.O Bo | CITY: 1 ck | STATE: GA | POSTAL CODE: 30188 | COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

All personal property of the Debtor, including without limitation accounts, chattel paper, documents, equipment, general intangibles, instruments, inventory (as those terms are defined in Article 9 of the Uniform Commercial Code in effect from time-to-time in the State of New York) wherever located, now or hereafter owned or acquired by the Merchant; (b) All trademarks, trade names, service marks, logos and other sources of business identifiers, and all registrations, recordings and applications with the U.S. Patent and Trademark Office and all renewals, reissues and extensions thereof (collectively, "Trademarks") whether now owned or hereafter acquired, together with any written agreement granting any right to use any Trademarks; and (c) All proceeds as that term is defined in Article 9 of the Uniform Commercial Code. All of Secured Party's right, title and interest in and to presently existing and future credit card receivables due to Debtors from Debtors' credit card processors which are sold from time to time. The sale of future credit card receivables is intended to be a sale and not an assignment for security.

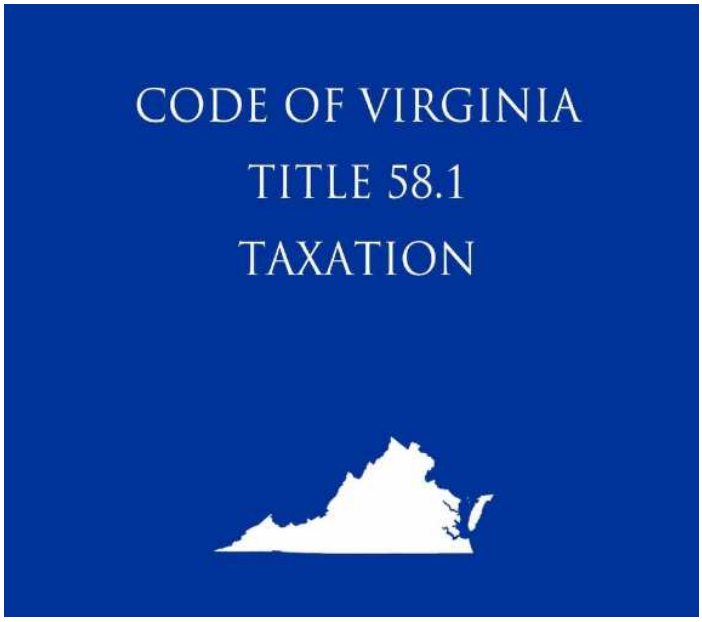
5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR | CONSIGNEE/CONSIGNOR | BAILEE/BAILOR | SELLER/BUYER | AG. LIEN | NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
VA-0-3 6

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)



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State and Local Government Conflict of Interests Act
§2.2-3100. Policy; application; construction.

The General Assembly, recognizing that our system of representative government is dependent in part upon (i) citizen legislative members representing fully the public in the legislative process and (ii) its citizens maintaining the highest trust in their public officers and employees, finds and declares that the citizens are entitled to be assured that the judgment of public officers and employees will be guided by a law that defines and prohibits inappropriate conflicts and requires disclosure of economic interests. To that end and for the purpose of establishing a single body of law applicable to all state and local government officers and employees on the subject of conflict of interests, the General Assembly enacts this State and Local Government Conflict of Interests Act so that the standards of conduct for such officers and employees may be uniform throughout the Commonwealth.

This chapter shall supersede all general and special acts and charter provisions which purport to deal with matters covered by this chapter except that the provisions of §§15.2-852, 15.2-2287, 15.2-2287.1, and 15.2-2289 and ordinances adopted pursuant thereto shall remain in force and effect. The provisions of this chapter shall be supplemented but not superseded by the provisions on ethics in public contracting in Article 6 (§2.2-4367 et seq.) of Chapter 43 of this title and ordinances adopted pursuant to §2.2-3104.2 regulating receipt of gifts.

The provisions of this chapter do not preclude prosecution for any violation of any criminal law of the Commonwealth, including Articles 2 (Bribery and Related Offenses, §18.2-438 et seq.) and 3 (Bribery of Public Servants and Party Officials, §18.2-446 et seq.) of Chapter 10 of Title 18.2, and do not constitute a defense to any prosecution for such a violation.
This chapter shall be liberally construed to accomplish its purpose.

§18.2-11. Punishment for conviction of misdemeanor.

The authorized punishments for conviction of a misdemeanor are:

(a) For Class 1 misdemeanors, confinement in jail for not more than twelve months and a fine of not more than $2,500, either or both.
(b) For Class 2 misdemeanors, confinement in jail for not more than six months and a fine of not more than $1,000, either or both.
(c) For Class 3 misdemeanors, a fine of not more than $500.
(d) For Class 4 misdemeanors, a fine of not more than $250.

For a misdemeanor offense prohibiting proximity to children as described in subsection A of §18.2-370.2, the sentencing court is authorized to impose the punishment set forth in subsection B of that section in addition to any other penalty provided by law.

§18.2-182.1. Issuing bad checks in payment of taxes.

Any person who shall make, draw, utter, or deliver two or more checks, drafts, or orders within a period of ninety days which have an aggregate represented value of $1,000 or more, for the payment of money upon any bank, banking institution, trust company, or other depository on behalf of any taxpayer for the payment of any state tax under §58.1-486 or §58.1-637, knowing, at the time of such making, drawing, uttering, or delivering, that the account upon which such check, draft, or order is drawn has not sufficient funds or credit with such bank, banking institution, trust company, or other depository for the payment of such check, draft, or order, although no express representation is made in reference

thereto, shall be guilty of a Class 1 misdemeanor. The word "credit," as used herein, means any arrangement or understanding with the bank, banking institution, trust company, or other depository for the payment of such check, draft, or order.

§58.1-3. Secrecy of information; penalties.

Except in accordance with a proper judicial order or as otherwise provided by law, the Tax Commissioner or agent, clerk, commissioner of the revenue, treasurer, or any other state or local tax or revenue officer or employee, or any person to whom tax information is divulged pursuant to this section or §58.1-512 or 58.1-2712.2, or any former officer or employee of any of the aforementioned offices shall not divulge any information acquired by him in the performance of his duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation. Such prohibition specifically includes any copy of a federal return or federal return information required by Virginia law to be attached to or included in the Virginia return. This prohibition shall apply to any reports, returns, financial documents or other information filed with the Attorney General pursuant to the provisions of Article 3 (§3.2-4204 et seq.) of Chapter 42 of Title 3.2. Any person violating the provisions of this section is guilty of a Class 1 misdemeanor. The provisions of this subsection shall not be applicable, however, to:

1. Matters required by law to be entered on any public assessment roll or book;
2. Acts performed or words spoken, published, or shared with another agency or subdivision of the Commonwealth in the line of duty under state law;
3. Inquiries and investigations to obtain information as to the process of real estate assessments by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information obtained shall be privileged;
4. The sales price, date of construction, physical dimensions or characteristics of real property, or any information required for building permits;
5. Copies of or information contained in an estate's probate tax return, filed with the clerk of court pursuant to §58.1-1714, when requested by a beneficiary of the estate or an heir at law of the decedent or by the commissioner of accounts making a settlement of accounts filed in such estate;
6. Information regarding nonprofit entities exempt from sales and use tax under §58.1-609.11, when requested by the General Assembly or any duly constituted committee of the General Assembly;
7. Reports or information filed with the Attorney General by a Stamping Agent pursuant to the provisions of Article 3 (§3.2-4204 et seq.), when such reports or information are provided by the Attorney General to a tobacco products manufacturer who is required to establish a qualified escrow fund pursuant to §3.2-4201 and are limited to the brand families of that manufacturer as listed in the Tobacco Directory established pursuant to §3.2-4206 and are limited to the current or previous two calendar years or in any year in which the Attorney General receives Stamping Agent information that potentially alters the required escrow deposit of the manufacturer. The information shall only be provided in the following manner: the manufacturer may make a written request, on a quarterly or yearly basis or when the manufacturer is notified by the Attorney General of a potential change in the amount of a required escrow deposit, to the Attorney General for a list of the Stamping Agents who reported stamping or selling its products and the amount reported. The Attorney General shall provide the list within 15 days of receipt of the request. If the manufacturer wishes to obtain actual copies of the reports the Stamping Agents filed with the Attorney General, it must first request them from the Stamping Agents pursuant to subsection C of §3.2-4209. If the manufacturer does not receive the reports

pursuant to subsection C of §3.2-4209, the manufacturer may make a written request to the Attorney General, including a copy of the prior written request to the Stamping Agent and any response received, for copies of any reports not received. The Attorney General shall provide copies of the reports within 45 days of receipt of the request.

B. Nothing contained in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof or the publication of delinquent lists showing the names of taxpayers who are currently delinquent, together with any relevant information which in the opinion of the Department may assist in the collection of such delinquent taxes. Notwithstanding any other provision of this section or other law, the Department, upon request by the General Assembly or any duly constituted committee of the General Assembly, shall disclose the total aggregate amount of an income tax deduction or credit taken by all taxpayers, regardless of (i) how few taxpayers took the deduction or credit or (ii) any other circumstances. This section shall not be construed to prohibit a local tax official from disclosing whether a person, firm or corporation is licensed to do business in that locality and divulging, upon written request, the name and address of any person, firm or corporation transacting business under a fictitious name. Additionally, notwithstanding any other provision of law, the commissioner of revenue is authorized to provide, upon written request stating the reason for such request, the Tax Commissioner with information obtained from local tax returns and other information pertaining to the income, sales and property of any person, firm or corporation licensed to do business in that locality.

2. This section shall not prohibit the Department from disclosing whether a person, firm, or corporation is registered as a retail sales and use tax dealer pursuant to Chapter 6 (§58.1-600 et seq.) or whether a certificate of registration number relating to such tax is valid. Additionally, notwithstanding any other provision of law, the Department is hereby authorized to make available the names and certificate of registration numbers of dealers who are currently registered for retail sales and use tax.
3. This section shall not prohibit the Department from disclosing information to nongovernmental entities with which the Department has entered into a contract to provide services that assist it in the administration of refund processing or other services related to its administration of taxes.
4. This section shall not prohibit the Department from disclosing information to taxpayers regarding whether the taxpayer's employer or another person or entity required to withhold on behalf of such taxpayer submitted withholding records to the Department for a specific taxable year as required pursuant to subdivision C 1 of §58.1-478.
5. This section shall not prohibit the commissioner of the revenue, treasurer, director of finance, or other similar local official who collects or administers taxes for a county, city, or town from disclosing information to nongovernmental entities with which the locality has entered into a contract to provide services that assist it in the administration of refund processing or other non-audit services related to its administration of taxes. The commissioner of the revenue, treasurer, director of finance, or other similar local official who collects or administers taxes for a county, city, or town shall not disclose information to such entity unless he has obtained a written acknowledgement by such entity that the confidentiality and nondisclosure obligations of and penalties set forth in subsection A apply to such entity and that such entity agrees to abide by such obligations.

C. (Effective until October 1, 2019) Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax Commissioner is authorized to (i) divulge tax information to any commissioner of the revenue, director of finance, or other similar collector of county, city, or town

taxes who, for the performance of his official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the Commissioner of the Department of Social Services, upon entering into a written agreement, the amount of income, filing status, number and type of dependents, and Forms W-2 and 1099 to facilitate the administration of public assistance or social services benefits as defined in §63.2-100 or child support services pursuant to Chapter 19 (§63.2-1900 et seq.) of Title 63.2; (iii) provide to the chief executive officer of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the names and home addresses of those persons identified by the designated guarantor as having delinquent loans guaranteed by the designated guarantor; (iv) provide current address information upon request to state agencies and institutions for their confidential use in facilitating the collection of accounts receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the collection of fines, penalties, and costs imposed in a proceeding in that court; (v) provide to the Commissioner of the Virginia Employment Commission, after entering into a written agreement, such tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid benefits; (vi) provide to the Virginia Alcoholic Beverage Control Authority, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of state and local taxes and the administration of the alcoholic beverage control laws; (vii) provide to the Director of the Virginia Lottery such tax information as may be necessary to identify those lottery ticket retailers who owe delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax information as may be necessary to facilitate the location of owners and holders of unclaimed property, as defined in §55-210.2; (ix) provide to the State Corporation Commission, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of taxes and fees administered by the Commission; (x) provide to the Executive Director of the Potomac and Rappahannock Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the Commissioner of the Department of Agriculture and Consumer Services such tax information as may be necessary to identify those applicants for registration as a supplier of charitable gaming supplies who have not filed required returns or who owe delinquent taxes; (xii) provide to the Department of Housing and Community Development for its confidential use such tax information as may be necessary to facilitate the administration of the remaining effective provisions of the Enterprise Zone Act (§59.1-270 et seq.), and the Enterprise Zone Grant Program (§59.1-538 et seq.); (xiii) provide current name and address information to private collectors entering into a written agreement with the Tax Commissioner, for their confidential use when acting on behalf of the Commonwealth or any of its political subdivisions; however, the Tax Commissioner is not authorized to provide such information to a private collector who has used or disseminated in an unauthorized or prohibited manner any such information previously provided to such collector; (xiv) provide current name and address information as to the identity of the wholesale or retail dealer that affixed a tax stamp to a package of cigarettes to any person who manufactures or sells at retail or wholesale cigarettes and who may bring an action for injunction or other equitable relief for violation of Chapter 10.1, Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to the Commissioner of Labor and Industry, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of unpaid wages under §40.1-29; (xvi) provide to the Director of the Department of Human Resource Management, upon entering into a written agreement, such tax information as may be necessary to identify persons receiving workers' compensation indemnity benefits who have failed to report earnings as required by §65.2-712; (xvii) provide to any commissioner of the revenue, director of finance, or any other officer of any county, city, or town performing any or all of the duties of a commissioner

of the revenue and to any dealer registered for the collection of the Communications Sales and Use Tax, a list of the names, business addresses, and dates of registration of all dealers registered for such tax; (xviii) provide to the Executive Director of the Northern Virginia Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xix) provide to the Commissioner of Agriculture and Consumer Services the name and address of the taxpayer businesses licensed by the Commonwealth that identify themselves as subject to regulation by the Board of Agriculture and Consumer Services pursuant to §3.2-5130; (xx) provide to the developer or the economic development authority of a tourism project authorized by §58.1-3851.1, upon entering into a written agreement, tax information facilitating the repayment of gap financing; and (xxi) provide to the Virginia Retirement System and the Department of Human Resource Management, after entering into a written agreement, such tax information as may be necessary to facilitate the enforcement of subdivision C 4 of §9.1-401. The Tax Commissioner is further authorized to enter into written agreements with duly constituted tax officials of other states and of the United States for the inspection of tax returns, the making of audits, and the exchange of information relating to any tax administered by the Department of Taxation. Any person to whom tax information is divulged pursuant to this section shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

C. (Effective October 1, 2019) Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax Commissioner is authorized to (i) divulge tax information to any commissioner of the revenue, director of finance, or other similar collector of county, city, or town taxes who, for the performance of his official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the Commissioner of the Department of Social Services, upon entering into a written agreement, the amount of income, filing status, number and type of dependents, and Forms W-2 and 1099 to facilitate the administration of public assistance or social services benefits as defined in §63.2-100 or child support services pursuant to Chapter 19 (§63.2-1900 et seq.) of Title 63.2; (iii) provide to the chief executive officer of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the names and home addresses of those persons identified by the designated guarantor as having delinquent loans guaranteed by the designated guarantor; (iv) provide current address information upon request to state agencies and institutions for their confidential use in facilitating the collection of accounts receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the collection of fines, penalties, and costs imposed in a proceeding in that court; (v) provide to the Commissioner of the Virginia Employment Commission, after entering into a written agreement, such tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid benefits; (vi) provide to the Virginia Alcoholic Beverage Control Authority, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of state and local taxes and the administration of the alcoholic beverage control laws; (vii) provide to the Director of the Virginia Lottery such tax information as may be necessary to identify those lottery ticket retailers who owe delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax information as may be necessary to facilitate the location of owners and holders of unclaimed property, as defined in §55.1-2500; (ix) provide to the State Corporation Commission, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of taxes and fees administered by the Commission; (x) provide to the Executive Director of the Potomac and Rappahannock Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the

Commissioner of the Department of Agriculture and Consumer Services such tax information as may be necessary to identify those applicants for registration as a supplier of charitable gaming supplies who have not filed required returns or who owe delinquent taxes; (xii) provide to the Department of Housing and Community Development for its confidential use such tax information as may be necessary to facilitate the administration of the remaining effective provisions of the Enterprise Zone Act (§59.1-270 et seq.), and the Enterprise Zone Grant Program (§59.1-538 et seq.); (xiii) provide current name and address information to private collectors entering into a written agreement with the Tax Commissioner, for their confidential use when acting on behalf of the Commonwealth or any of its political subdivisions; however, the Tax Commissioner is not authorized to provide such information to a private collector who has used or disseminated in an unauthorized or prohibited manner any such information previously provided to such collector; (xiv) provide current name and address information as to the identity of the wholesale or retail dealer that affixed a tax stamp to a package of cigarettes to any person who manufactures or sells at retail or wholesale cigarettes and who may bring an action for injunction or other equitable relief for violation of Chapter 10.1, Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to the Commissioner of Labor and Industry, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of unpaid wages under §40.1-29; (xvi) provide to the Director of the Department of Human Resource Management, upon entering into a written agreement, such tax information as may be necessary to identify persons receiving workers' compensation indemnity benefits who have failed to report earnings as required by §65.2-712; (xvii) provide to any commissioner of the revenue, director of finance, or any other officer of any county, city, or town performing any or all of the duties of a commissioner of the revenue and to any dealer registered for the collection of the Communications Sales and Use Tax, a list of the names, business addresses, and dates of registration of all dealers registered for such tax; (xviii) provide to the Executive Director of the Northern Virginia Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xix) provide to the Commissioner of Agriculture and Consumer Services the name and address of the taxpayer businesses licensed by the Commonwealth that identify themselves as subject to regulation by the Board of Agriculture and Consumer Services pursuant to §3.2-5130; (xx) provide to the developer or the economic development authority of a tourism project authorized by §58.1-3851.1, upon entering into a written agreement, tax information facilitating the repayment of gap financing; and (xxi) provide to the Virginia Retirement System and the Department of Human Resource Management, after entering into a written agreement, such tax information as may be necessary to facilitate the enforcement of subdivision C 4 of § 9.1-401. The Tax Commissioner is further authorized to enter into written agreements with duly constituted tax officials of other states and of the United States for the inspection of tax returns, the making of audits, and the exchange of information relating to any tax administered by the Department of Taxation. Any person to whom tax information is divulged pursuant to this section shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

D. Notwithstanding the provisions of subsection A or B or any other provision of this title, the commissioner of revenue or other assessing official is authorized to (i) provide, upon written request stating the reason for such request, the chief executive officer of any county or city with information furnished to the commissioner of revenue by the Tax Commissioner relating to the name and address of any dealer located within the county or city who paid sales and use tax, for the purpose of verifying the local sales and use tax revenues payable to the county or city; (ii) provide to the Department of Professional and Occupational Regulation for its confidential use

the name, address, and amount of gross receipts of any person, firm or entity subject to a criminal investigation of an unlawful practice of a profession or occupation administered by the Department of Professional and Occupational Regulation, only after the Department of Professional and Occupational Regulation exhausts all other means of obtaining such information; and (iii) provide to any representative of a condominium unit owners' association, property owners' association or real estate cooperative association, or to the owner of property governed by any such association, the names and addresses of parties having a security interest in real property governed by any such association; however, such information shall be released only upon written request stating the reason for such request, which reason shall be limited to proposing or opposing changes to the governing documents of the association, and any information received by any person under this subsection shall be used only for the reason stated in the written request. The treasurer or other local assessing official may require any person requesting information pursuant to clause (iii) of this subsection to pay the reasonable cost of providing such information. Any person to whom tax information is divulged pursuant to this subsection shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

Notwithstanding the provisions of subsection A or B or any other provisions of this title, the treasurer or other collector of taxes for a county, city or town is authorized to provide information relating to any motor vehicle, trailer or semitrailer obtained by such treasurer or collector in the course of performing his duties to the commissioner of the revenue or other assessing official for such jurisdiction for use by such commissioner or other official in performing assessments.

This section shall not be construed to prohibit a local tax official from imprinting or displaying on a motor vehicle local license decal the year, make, and model and any other legal identification information about the particular motor vehicle for which that local license decal is assigned.

E. Notwithstanding any other provisions of law, state agencies and any other administrative or regulatory unit of state government shall divulge to the Tax Commissioner or his authorized agent, upon written request, the name, address, and social security number of a taxpayer, necessary for the performance of the Commissioner's official duties regarding the administration and enforcement of laws within the jurisdiction of the Department of Taxation. The receipt of information by the Tax Commissioner or his agent which may be deemed taxpayer information shall not relieve the Commissioner of the obligations under this section.

F. Additionally, it shall be unlawful for any person to disseminate, publish, or cause to be published any confidential tax document which he knows or has reason to know is a confidential tax document. A confidential tax document is any correspondence, document, or tax return that is prohibited from being divulged by subsection A, B, C, or D and includes any document containing information on the transactions, property, income, or business of any person, firm, or corporation that is required to be filed with any state official by §58.1-512. This prohibition shall not apply if such confidential tax document has been divulged or disseminated pursuant to a provision of law authorizing disclosure. Any person violating the provisions of this subsection is guilty of a Class 1 misdemeanor.

§58.1-103. Inspection of records and documents by the Department.

All records and documents required by this subtitle or by rule or regulation shall be available during regular business hours for inspection by the Tax Commissioner or his duly authorized agents. Persons violating the provisions of this section shall be guilty of a Class 2 misdemeanor.

§58.1-104. Period of limitations.

Except as provided in Chapters 3 (§58.1-300 et seq.) and 6 (§58.1-600 et seq.) of this title, any tax imposed by this subtitle shall be assessed within three years from the last day prescribed by law for the timely filing of the return. In the case of a false or fraudulent return with the intent to evade payment of any tax imposed by this subtitle, or a failure to file a required return, the taxes may be assessed, or a proceeding in court for the collection of such taxes may be begun without assessment, at any time within six years from the last day prescribed by law for the timely filing of the return.

§58.1-105. Offers in compromise; Department may accept; authority and duty of Tax Commissioner.

A. In all cases in which under the laws of this Commonwealth a prosecution is authorized for violation of the revenue laws and in all cases in which a penalty is imposed upon the taxpayer for failure to comply with the requirements of the tax laws, the Department shall in its discretion have authority to accept offers made in compromise of such prosecution and in compromise or in lieu of such penalties. An offer in lieu of the assessment of a penalty shall be deemed to be made by the filing of a return or payment of tax without payment of a penalty if information filed with the return or payment of tax or obtained from other sources demonstrates reasonable cause for the failure or omission for which the penalty would be imposed. The reason for the acceptance of such offers in compromise shall be preserved among the records of the Department.

B. The Tax Commissioner may compromise and settle doubtful or disputed claims for taxes or tax liability of doubtful collectability. An offer in compromise shall be deemed accepted only when the taxpayer is notified in writing of the acceptance by the Tax Commissioner. Whenever such a compromise and settlement is made, the Tax Commissioner shall make a complete record of the case showing the tax assessed, recommendations, reports and audits of departmental personnel, if any, the taxpayer's grounds for dispute or contest together with all evidences thereof, and the amounts, conditions and settlement or compromise of same.

C. The Department may deposit into the state treasury all payments submitted with offers in compromise, unless the taxpayer specifically and clearly directs otherwise.

§58.1-216. Writs, notices, processes, and orders.

A. The Tax Commissioner may, in all matters within his jurisdiction, award and issue and have served, executed and returned any writ, notice, process, order or order of publication which may by law be awarded, issued, served, executed or returned by or to any court in this Commonwealth for the purpose of compelling the attendance of witnesses, the production of books and papers and the enforcement and execution of his findings, orders and judgments. Such a summons to any witness or to produce any document may be personally served by an employee of the Department or served in the manner provided by §58.1-217. But all

memoranda of liens for the collection of taxes shall issue under the provisions of §58.1-1805 or §58.1-1806.

B. Any person summoned as a witness, or summoned to produce books and papers, or both, who fails or refuses to attend, or to produce such books and papers, or both, may be proceeded against in the circuit court of the city or of the county in which such person resides by a rule or attachment issued on motion of the Tax Commissioner in the name of the Commonwealth to compel such person to attend as a witness, or to produce such books and papers, or both, at such time and place as may be designated by the court.

C. The Tax Commissioner and such other officers or employees of the Department as the Tax Commissioner may authorize in writing may administer oaths in the performance of their duties.

§58.1-217. Form of writs, processes and orders; how served.

All writs, processes and orders of the Tax Commissioner shall run in the name of the Commonwealth, shall be signed by the Tax Commissioner, and shall be directed to the sheriff or constable of the county or city wherein such writ, process or order is to be executed. All writs, notices, processes or orders of the Tax Commissioner may be executed and returned in like manner and upon like persons or property as the processes, writs, notices or orders of the courts of record of this Commonwealth and when so served, executed and returned shall have the same legal effect. The officer serving or executing any writ, notice, process or order of the Tax Commissioner shall receive the same fees allowed by law for the like services to sheriffs of the counties and cities. Any officer who fails to execute and return any writ, process, notice or order of the Tax Commissioner shall be subject to the same penalties provided by law for the failure to execute and return the process of any court, which penalties, after due notice to the officer so failing, may be enforced by the judgment of the Tax Commissioner.

§58.1-219. Examination of books and records of taxpayers.

The Tax Commissioner may, in any case, in lieu of proceeding under §58.1-216, cause the books and records of any taxpayer containing information concerning the tax liability of such taxpayer to be examined by one of his authorized auditors or agents in order that the tax and revenue laws of the Commonwealth may be enforced; but, in any such case, if any taxpayer refuses to submit his books and records for examination, as aforesaid, the Department may proceed under §58.1-216.

§58.1-312. Limitations on assessment.

A. The tax imposed by this chapter may be assessed at any time if:
   1. No return is filed;
   2. A false or fraudulent return is filed with intent to evade tax;
   3. The taxpayer fails to comply with §58.1-311 in not reporting a change or correction increasing his federal taxable income as reported on his federal income tax return, or in not reporting a change or correction which is treated in the same manner as if it were a deficiency for federal income tax purposes, or in not filing an amended return; or
   4. The taxpayer fails to comply with §58.1-311.1 by not reporting a change or correction decreasing the tax paid to another state for which a credit was claimed on his Virginia income tax return as a result of an examination conducted by any other state or an amended income tax return filed with any other state.

B. The tax may be assessed within six years after the return was filed, whether such return was filed on or after the date prescribed, if the taxpayer knowingly failed to disclose on his state income tax return a transaction identified by the Tax Commissioner as an abusive tax avoidance transaction and published as provided in §58.1-204. A return of tax filed before the last day prescribed by law for the timely filing thereof shall be considered as filed on the last day. If such return is false or fraudulent, an assessment may be made at any time whether or not the falsity or fraud is related to the abusive tax avoidance transaction.

C. If the taxpayer pursuant to §58.1-311 or 58.1-311.1 reports a change or correction or files an amended return increasing his federal taxable income, decreasing the tax paid to another state, or reports a change or correction which is treated in the same manner as if it were a deficiency for federal income tax purposes, the assessment (if not deemed to have been made upon the filing of the report or amended return) may be made at any time within one year after such report or amended return was filed. The amount of such assessment of tax shall not exceed the amount of the increase in Virginia tax attributable to such federal change or correction. The provisions of this paragraph shall not affect the time within which or the amount for which an assessment may otherwise be made.

D. If a deficiency is attributable to the application to the taxpayer of a net operating loss carry-back, or to a net capital loss carry-back, it may be assessed at any time that a deficiency for the taxable year of the loss may be assessed.

E. An erroneous refund shall be considered an underpayment of tax on the date made, and an assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund, except that the assessment may be made within five years from the making of the refund if it appears that any part of the refund was induced by fraud or misrepresentation of a material fact.

F. If a return is required for a decedent or for his estate during the period of administration, the tax shall be assessed within eighteen months after written request therefor (made after the return is filed) by the executor, administrator or other person representing the estate of such decedent, but not more than three years after the return was filed, except as otherwise provided in this subsection.

§58.1-313. Immediate assessment where collection jeopardized by delay; notice of assessment; termination of taxable period; memorandum of lien.

A. If the Tax Commissioner determines that the collection of any income tax, penalties or interest required to be paid under this title will be jeopardized by delay, the Tax Commissioner shall immediately assess the actual or estimated amount of tax due, together with all penalties and interest, and demand immediate payment from the taxpayer. A notice of such assessment and demand shall be sent by certified mail, return receipt requested, to the taxpayer's last known address or personally delivered to the taxpayer. In the case of a tax for a current period, the Tax Commissioner shall declare the taxable period of the taxpayer immediately terminated and shall cause notice of such finding and declaration to be mailed or personally delivered to the taxpayer together with a demand for immediate payment of the tax based on the period declared terminated, and such tax shall be immediately due and payable, whether or not the time otherwise allowed by law for filing a return and paying the tax has expired. Assessments provided for in this section shall become immediately due and payable, and if any such tax,

penalty or interest is not paid upon demand of the Tax Commissioner, he shall proceed to collect the same by legal process as otherwise provided by law. A memorandum of lien provided for in §58.1-1805 may be issued immediately upon assessment and notice thereof, or the Tax Commissioner may require the taxpayer to file a bond sufficient in the Commissioner's judgment to protect the interest of the Commonwealth. "Jeopardized by delay" for purposes of this section includes a finding by the Tax Commissioner that a taxpayer designs (i) to depart quickly from the Commonwealth, (ii) to remove his property therefrom, (iii) to conceal himself or his property therein, or (iv) to do any other act tending to prejudice or to render wholly or partially ineffectual proceedings to collect the income tax for the period in question.

B. A memorandum of lien may be filed for delinquent income taxes assessed by the Department only within six years after an assessment.

C. The Department shall notify the taxpayer that he shall have the opportunity to appear at a meeting within fourteen days and make an oral or written statement of why he believes no jeopardy to the revenue exists or why a memorandum of lien should be released, if one was recorded. Upon request of the taxpayer, the Department shall meet with the taxpayer at a time set by the Department within fourteen days after the issuance of the jeopardy assessment. The Department shall determine within twenty days after such meeting whether such jeopardy assessment or lien should be withdrawn and shall send written notice of such finding to the taxpayer. If the finding is not in the taxpayer's favor, he may use the remedies available for corrections of erroneous assessments in Article 2 (§58.1-1820 et seq.) of Chapter 18.

§58.1-314. Lien of jeopardy assessment; notice of lien.

Upon the completion of all acts necessary to effect a jeopardy assessment under §58.1-313 and upon the failure of the taxpayer to make payment in full upon demand of all taxes, penalties and interest immediately due thereunder or post a bond in lieu thereof when applicable, such assessment shall be a lien upon and bind the real and personal property of the delinquent taxpayer against whom it may be issued from the time the taxpayer fails to make full payment thereunder, except as against a bona fide purchaser for a valuable consideration. A notice of such lien, drawn by the Tax Commissioner, shall be sent to the clerk of the circuit court in all jurisdictions wherein the taxpayer is known or believed to own any estate. The clerk to whom any such notice of lien is so sent shall record it, as a judgment is required by law to be recorded, and shall index the same in the name of the Commonwealth as well as of the delinquent taxpayer. Such recordation shall thereupon be constructive notice of the lien created by the assessment as to all estate of the delinquent taxpayer located in such jurisdiction.

§58.1-348. Criminal prosecution for failure or refusal to file return of income or for making false statement therein; limitation.

Notwithstanding any other provisions of this title and in addition to any other penalties provided by law, any individual or fiduciary required under this chapter to make a return of income, who willfully fails or refuses to make such return, at the time or times required by law, shall be guilty of a Class 1 misdemeanor, or who, with intent to defraud the Commonwealth, makes any false statement in any such return, shall be guilty of a Class 6 felony. A prosecution under this section shall be commenced within five years next after the commission of the offense.

§58.1-461. Requirement of withholding.

Every employer making payment of wages shall deduct and withhold with respect to the wages of each employee for each payroll period an amount determined as follows: Such amount which, if an equal amount was collected for each similar payroll period with respect to a similar amount of wages for each payroll period during an entire calendar year, would aggregate or approximate the income tax liability of such employee under this chapter after making allowance for the personal exemptions to which such employee could be entitled on the basis of his status during such payroll period and after making allowance for withholding purposes for a standard deduction from wages in accordance with the laws of the United States relating to federal income taxes and after making an allowance for any credit available to the employee as provided by §58.1-332, and without making allowance for any other deductions. In determining the amount to be deducted and withheld under this article, the wages may, at the election of the employer, be computed to the nearest dollar.

An employer shall not be required to deduct any amount upon a payment of wages to an employee if there is in effect with respect to such payment a withholding exemption certificate, in such form and containing such other information as the Tax Commissioner may prescribe, furnished by the employee to the employer, certifying that the employee: (i) incurred no liability for income tax imposed by this chapter for his preceding taxable year; and (ii) anticipates that he will incur no liability for income tax imposed by this chapter for his current taxable year.

§58.1-473. Jeopardy assessments.

If the Tax Commissioner, in any case, has reason to believe that the collection of moneys, required by this article to be withheld by the employer, is in jeopardy, he may require the employer to make such return and pay to the Tax Commissioner such amounts required to be withheld at any time the Tax Commissioner may designate therefor subsequent to the time when such amounts should have been deducted from wages and withheld.

§58.1-474. Liability of employer for failure to withhold.

Every employer who fails to withhold or pay to the Tax Commissioner any sums required by this article to be withheld and paid shall be personally and individually liable therefor. Any sum or sums withheld in accordance with the provisions of this article shall be deemed to be held in trust for the Commonwealth.

§58.1-485. Willful failure by employer to make return, to withhold tax, to pay it or to furnish employee with withholding statement; penalty.

Willful failure by any employer to (i) make any return required by this article to the Tax Commissioner, (ii) withhold the required tax or to pay it to the Tax Commissioner as specified, or both, or (iii) furnish an employee the written statement required by §58.1-478 shall be a Class 1 misdemeanor.

§58.1-486. Bad checks.

If any check tendered for any amount due under this chapter is not paid by the bank on which it is drawn and such person fails to pay the Commissioner the amount due the Commonwealth within five days after the Commissioner has given him written notice by registered or certified mail or in person by an agent that such check was returned unpaid, the person by whom such check was tendered shall be guilty of a violation of §18.2-182.1.

§58.1-499. Refunds to individual taxpayers; crediting overpayment against estimated tax for ensuing year.

A. In the case of any overpayment of any tax, addition to tax, interest or penalties imposed on an individual income taxpayer by this chapter, whether by reason of excessive withholding, overestimating and overpaying estimated tax, error on the part of the taxpayer, or an erroneous assessment of tax, the Tax Commissioner shall order a refund of the amount of the overpayment to the taxpayer. The overpayment shall be refunded out of the state treasury on the order of the Tax Commissioner upon the Comptroller.

B. If a refund of an overpayment of individual income tax payments is made payable jointly to a husband and wife who receive a final divorce decree after filing a joint income tax return, separate income tax returns on a single form, an amendment thereto, or other claim resulting in the issuance of a refund, the Tax Commissioner shall order the reissuance of the refund in separate checks to the husband and to the wife if the unnegotiated joint refund check is returned to Department with a certification, in a form satisfactory to the Department, made by one spouse that the other spouse refuses to endorse the joint refund check or cannot be located. In making such certification, the spouse returning the check shall agree to indemnify the Commonwealth for any amounts that the Commonwealth may be required to pay to the other spouse with respect to such refund. A certified copy of the final divorce decree, including any agreement with respect to the division of property between the spouses, shall be provided with the certification. If the final divorce decree addresses the apportionment or ownership of the refunded amount, the refund shall be apportioned and separate payments ordered as provided therein. If the final divorce decree does not address the apportionment or ownership of the refunded amount, the amount of the refund shall be divided equally between the husband and wife. The reissuance of refund payments pursuant to this subsection shall not affect the joint and several liability of the husband and wife for tax liabilities for the period for which the return or returns were filed.

C. Whenever the annual income tax return of an individual income taxpayer indicates in the place provided thereon that the taxpayer has overpaid his tax for the taxable year by reason of excessive withholding or overestimating and overpaying estimated tax, or both, the amount of the overpayment as shown on his return, subject to correction for error, may be credited against the estimated income tax for the ensuing year at the taxpayer's election and according to regulations prescribed by the Department and such overpayments by either a husband or wife on a separate return may be credited to the tax for the ensuing year of either of them or may be credited to their joint tax at the election of the person to whom the overpayment is payable; or otherwise such amount shall be refunded to him as soon as practicable. Interest on such refund shall be allowed and computed in accordance with §58.1-1833. The making of any refund shall not absolve any taxpayer of any income tax liability which may in fact exist and the Tax Commissioner may make an assessment for any deficiency in the manner provided by law.

D. No refund under this section, however, shall be made for any overpayment of less than one dollar except on special written application of the taxpayer, nor shall any refund of any amount under this section be made, whether on discovery by the Department or on written application of the taxpayer, if such discovery is not made or such written application is not received within three years from the last day prescribed by law for the timely filing of the return, or within sixty

days from the final determination of any change or correction in the liability of the taxpayer for any federal tax upon which the state tax is based, whichever is later.

E. Notwithstanding the provisions of the Setoff Debt Collection Act, Article 21 (§58.1-520 et seq.) of this chapter, whenever any taxpayer is entitled to a refund under this section, or under §58.1-309 or §§58.1-1821 through 58.1-1830 and such taxpayer owes the Commonwealth a past due income tax, or balance thereof, for any year, the amount of such refund may be credited on such past due income tax or balance, to the extent indicated.

§58.1-601. Administration of chapter.

A. The Tax Commissioner shall administer and enforce the assessment and collection of the taxes and penalties imposed by this chapter, including the collection of state and local sales and use taxes from remote sellers.

B. In administering the collection of state and local sales and use taxes from remote sellers, the Tax Commissioner shall:
   1. Provide adequate information to remote sellers to enable them to identify state and local sales and use tax rates and exemptions;
   2. Provide adequate information to software providers to enable them to make software and services available to remote sellers;
   3. Ensure that if the Department requires a periodic audit the remote seller may complete a single audit that covers the state and local sales and use taxes in all localities; and
   4. Require no more than one sales and use tax return per month be filed with the Department by any remote seller or any software provider on behalf of such remote seller.

C. For purposes of evaluating the fiscal, economic and policy impact of sales and use tax exemptions, the Tax Commissioner may require from any person information relating to the evaluation of exempt purchases or sales, information relating to the qualification for exempt purchases, and information relating to direct or indirect government financial assistance that the person receives. Such information shall be filed on forms prescribed by the Tax Commissioner.

§58.1-612. Tax collectible from dealers; "dealer" defined; jurisdiction.

A. The tax levied by §§58.1-603 and 58.1-604 shall be collectible from all persons that are dealers, as defined in this section, and that have sufficient contact with the Commonwealth to qualify under (i) subsections B and C or (ii) subsections B and D.

B. As used in this chapter, "dealer" includes every person that:
   1. Manufactures or produces tangible personal property for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;
   2. Imports or causes to be imported into this Commonwealth tangible personal property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;
   3. Sells at retail, or that offers for sale at retail, or that has in its possession for sale at retail, or for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth, tangible personal property;
   4. Has sold at retail, used, consumed, distributed, or stored for use or consumption in this Commonwealth, tangible personal property and that cannot prove that the tax levied by this

chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such tangible personal property;

5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such property without transferring title thereto;
6. Is the lessee or rentee of tangible personal property and that pays to the owner of such property a consideration for the use or possession of such property without acquiring title thereto;
7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer under §58.1-613; or
8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether it holds, or is required to hold, a certificate of registration under §58.1-613.

C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 if it:

1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office, warehouse, or place of business of any nature;
2. Solicits business in this Commonwealth by employees, independent contractors, agents or other representatives;
3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on billboards or posters located in this Commonwealth, or through materials distributed in this Commonwealth by means other than the United States mail;
4. Makes regular deliveries of tangible personal property within this Commonwealth by means other than common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles other than those operated by a common carrier enter this Commonwealth more than 12 times during a calendar year to deliver goods sold by him;
5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or distributed from a location within this Commonwealth;
6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular, seasonal, or systematic and if the dealer benefits from any banking, financing, debt collection, or marketing activities occurring in this Commonwealth or benefits from the location in this Commonwealth of authorized installation, servicing, or repair facilities;
7. Is owned or controlled by the same interests which own or control a business located within this Commonwealth;
8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the franchisee or licensee is required to obtain a certificate of registration under §58.1-613;
9. Owns tangible personal property that is for sale located in this Commonwealth, or that is rented or leased to a consumer in this Commonwealth, or offers tangible personal property, on approval, to consumers in this Commonwealth;
10. Receives more than $100,000 in gross revenue, or other minimum amount as may be required by federal law, from retail sales in the Commonwealth in the previous or current calendar year, provided that in determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons as defined in subsection D shall be aggregated; or
11. Engages in 200 or more separate retail sales transactions, or other minimum amount as may be required by federal law, in the Commonwealth in the previous or current calendar year, provided that in determining the total number of a dealer's retail sales transactions, the

sales made by all commonly controlled persons as defined in subsection D shall be aggregated.

D. A dealer is presumed to have sufficient activity within the Commonwealth to require registration under §58.1-613 (unless the presumption is rebutted as provided herein) if any commonly controlled person maintains a distribution center, warehouse, fulfillment center, office, or similar location within the Commonwealth that facilitates the delivery of tangible personal property sold by the dealer to its customers. The presumption in this subsection may be rebutted by demonstrating that the activities conducted by the commonly controlled person in the Commonwealth are not significantly associated with the dealer's ability to establish or maintain a market in the Commonwealth for the dealer's sales. For purposes of this subsection, a "commonly controlled person" means any person that is a member of the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered, as the dealer or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the dealer as a corporation that is a member of the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered.

E. Notwithstanding any other provision of this section, the following shall not be considered to determine whether a person that has contracted with a commercial printer for printing in the Commonwealth is a "dealer" and whether such person has sufficient contact with the Commonwealth to be required to register under §58.1-613:
   1. The ownership or leasing by that person of tangible or intangible property located at the Virginia premises of the commercial printer which is used solely in connection with the printing contract with the person;
   2. The sale by that person of property of any kind printed at and shipped or distributed from the Virginia premises of the commercial printer;
   3. Activities in connection with the printing contract with the person performed by or on behalf of that person at the Virginia premises of the commercial printer; and
   4. Activities in connection with the printing contract with the person performed by the commercial printer within Virginia for or on behalf of that person.

F. In addition to the jurisdictional standards contained in subsections C and D, nothing contained in this chapter other than in subsection E shall limit any authority that this Commonwealth may enjoy under the provisions of federal law or an opinion of the United States Supreme Court to require the collection of sales and use taxes by any dealer that regularly or systematically solicits sales within this Commonwealth. Furthermore, nothing contained in subsection C shall require any broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher which broadcasts, publishes, or displays or distributes paid commercial advertising in this Commonwealth which is intended to be disseminated primarily to consumers located in this Commonwealth to report or impose any liability to pay any tax imposed under this chapter solely because such broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher accepted such advertising contracts from out-of-state advertisers or sellers.

§58.1-613. Dealers' certificates of registration.

A. Every person desiring to engage in or conduct business as a dealer in this Commonwealth shall file with the Tax Commissioner or the local commissioner of the revenue, if the local commissioner elects to provide the services authorized under this section, an application for a certificate of registration for each place of business in this Commonwealth.

B. Every application for a certificate of registration shall set forth the name under which the applicant transacts or intends to transact business, the location of his place or places of business, and such other information as the Tax Commissioner may require.

C. When the required application has been made, the Tax Commissioner shall issue to each applicant a separate certificate of registration for each place of business within this Commonwealth. A certificate of registration is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall be at all times conspicuously displayed at the place for which issued.

D. Whenever any person fails to comply with any provision of this chapter or any rule or regulation relating thereto, the Tax Commissioner, upon hearing after giving such person 10 days' notice in writing, specifying the time and place of hearing and requiring him to show cause why his certificate of registration should not be revoked or suspended, may revoke or suspend any one or more of the certificates of registration held by such person. The notice may be personally served or served by registered mail directed to the last known address of such person.

E. Any person who engages in business as a dealer in this Commonwealth without obtaining a certificate of registration, or after a certificate of registration has been suspended or revoked, and each officer of any corporation which so engages in business shall be guilty of a Class 2 misdemeanor. Each day's continuance in business in violation of this section shall constitute a separate offense.

F. If the holder of a certificate of registration ceases to conduct his business at the place specified in his certificate, the certificate shall thereupon expire, and such holder shall inform the Tax Commissioner in writing within 30 days after he has ceased to conduct such business at such place that he has so ceased. If the holder of a certificate of registration desires to change his place of business to another place in this Commonwealth, he shall so inform the Tax Commissioner in writing and his certificate shall be revised accordingly. The holder of a certificate of registration alternatively may complete the transactions required under this subsection with any local commissioner of the revenue electing to provide the services authorized under this section.

G. This section shall also apply to any person who engages in the business of furnishing any of the things or services taxable under this chapter. Moreover, it shall apply to any person who is liable only for the collection of the use tax.

H. At the request of a local commissioner of revenue, the Tax Commissioner shall provide, on a quarterly basis, a listing of new businesses in the locality which obtained a certificate of registration.

I. A commissioner of the revenue electing to provide the services authorized under this section shall follow the guidelines, rules, or procedures set forth by the Tax Commissioner for providing such services and shall provide the Tax Commissioner on a quarterly basis a list of each certificate of registration he has issued or revised.

§58.1-615. Returns by dealers.

A. Every dealer required to collect or pay the sales or use tax shall, on or before the twentieth day of the month following the month in which the tax shall become effective, transmit to the Tax Commissioner a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all transactions taxable under this chapter during the preceding calendar month, and thereafter a like return shall be prepared and transmitted to the Tax Commissioner by every dealer on or before the twentieth day of each month, for the preceding calendar month. In the case of dealers regularly keeping books and accounts on the basis of an annual period which varies 52 to 53 weeks, the Tax Commissioner may make rules and regulations for reporting consistent with such accounting period.

Notwithstanding any other provision of this chapter, a dealer may be required by the Tax Commissioner to file sales or use tax returns on an accounting period less frequent than monthly when, in the opinion of the Tax Commissioner, the administration of the taxes imposed by this chapter would be enhanced. If a dealer is required to file other than monthly, each such return shall be due on or before the twentieth day of the month following the close of the period. Each such return shall contain all information required for monthly returns.

A sales or use tax return shall be filed by each registered dealer even though the dealer is not liable to remit to the Tax Commissioner any tax for the period covered by the return.

The Tax Commissioner shall not require that more than one sales and use tax return per month be filed with the Department by any remote seller or any software provider on behalf of such remote seller.

B. [Expired.]

C. Any return required to be filed with the Tax Commissioner under this section shall be deemed to have been filed with the Tax Commissioner on the date that such return is delivered by the dealer to the commissioner of the revenue or the treasurer for the locality in which the dealer is located and receipt is acknowledged by the commissioner of the revenue or treasurer. The commissioner of the revenue or the treasurer shall stamp such date on the return, and shall mail the return to the Tax Commissioner no later than the following business day. The commissioner of the revenue or the treasurer may collect from the dealer the cost of postage for such mailing.

D. Every dealer that elects to file a consolidated sales tax return for any taxable period and that is required to remit payment by electronic funds transfer pursuant to subsection B of §58.1-202.1 beginning on and after July 1, 2010, shall file its monthly return using an electronic medium prescribed by the Tax Commissioner. A waiver of this requirement may be granted if the Tax Commissioner determines that it creates an unreasonable burden on the dealer.

§58.1-616. Payment to accompany dealer's return.

At the time of transmitting the return required under §58.1-615, the dealer shall remit to the Tax Commissioner the amount of tax due after making appropriate adjustments for purchases returned, repossessions, and accounts uncollectible and charged off as provided in §§58.1-619, 58.1-620 and 58.1-621. The tax imposed by this chapter shall for each period become delinquent on the twenty-first day of the succeeding month if not paid.

§58.1-625. (Effective until July 1, 2022) Collection of tax.

A. The tax levied by this chapter shall be paid by the dealer, but the dealer shall separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be recoverable at law in the same manner as other debts. No action at law or suit in equity under this chapter may be maintained in this Commonwealth by any dealer that is not registered under §58.1-613 or is delinquent in the payment of the taxes imposed under this chapter.

B. Notwithstanding any exemption from taxes which any dealer now or hereafter may enjoy under the Constitution or laws of this or any other state, or of the United States, such dealer shall collect such tax from the purchaser, consumer, or lessee and shall pay the same over to the Tax Commissioner as herein provided.

C. Any dealer collecting the sales or use tax on transactions exempt or not taxable under this chapter shall transmit to the Tax Commissioner such erroneously or illegally collected tax unless or until it can affirmatively show that the tax has since been refunded to the purchaser or credited to its account.

D. 1. Any dealer that neglects, fails, or refuses to collect such tax upon every taxable sale, distribution, lease, or storage of tangible personal property made by it, its agents, or employees shall be liable for and pay the tax itself, and such dealer shall not thereafter be entitled to sue for or recover in this Commonwealth any part of the purchase price or rental from the purchaser until such tax is paid. Moreover, any dealer that neglects, fails, or refuses to pay or collect the tax herein provided, either by itself or through its agents or employees, is guilty of a Class 1 misdemeanor.

   2. Notwithstanding subdivision 1, any remote seller or marketplace facilitator that has collected an incorrect amount of sales and use tax shall be relieved from liability for such amount, including any penalty or interest, if the error is a result of the remote seller's or marketplace facilitator's reasonable reliance on information provided by the Commonwealth.

E. All sums collected by a dealer as required by this chapter shall be deemed to be held in trust for the Commonwealth.

F. Notwithstanding the foregoing provisions of this section, any dealer is authorized during the period of time set forth in §§58.1-611.2 and 58.1-611.3 or subdivision 18 of §58.1-609.1 not to collect the tax levied by this chapter or levied under the authority granted in §§58.1-605 and 58.1-606 from the purchaser, and to absorb such tax itself. A dealer electing to absorb such taxes shall be liable for payment of such taxes to the Tax Commissioner in the same manner as it is for tax collected from a purchaser pursuant to this section.

§58.1-629. Sale of business.

If any dealer liable for any tax, penalty, or interest levied hereunder sells out his business or stock of goods or quits the business, he shall make a final return and payment within fifteen days after the date of selling or quitting the business. His successors or assigns, if any, shall withhold sufficient of the purchase money to cover the amount of such taxes, penalties, and interest due and unpaid until such former owner produces a receipt from the Tax Commissioner showing that they have been paid or a certificate stating that no taxes, penalties, or interest is due. If the purchaser of a business or stock of goods fails to withhold the purchase money as above provided, he shall be personally liable for the payment of the taxes, penalties, and interest due and unpaid on account of the operation of the business by any former owner. Nothing herein shall be deemed to qualify or limit the exemption as to such a sale as is covered by subdivision 2 of §58.1-609.10.

§58.1-630. Bond.

The Tax Commissioner may, when in his judgment it is necessary and advisable so to do in order to secure the collection of the tax levied by this chapter, require any person subject to such tax to file with him a bond, with such surety as the Tax Commissioner determines is necessary to secure the payment of any tax, penalty or interest due or which may become due from such person. In lieu of such bond, securities approved by the Tax Commissioner may be deposited with the State Treasurer, which securities shall be kept in the custody of the State Treasurer, and shall be sold by him, at the request of the Tax Commissioner, at public or private sale if it becomes necessary so to do in order to recover any tax, penalty or interest due the Commonwealth under this chapter. Upon any such sale, the surplus, if any, above the amounts due under this chapter shall be returned to the person who deposited the securities.

§58.1-631. Jeopardy assessment.

If the Tax Commissioner is of the opinion that the collection of any tax or any amount of tax required to be collected and paid under this chapter will be jeopardized by delay, he shall make an assessment of the tax or amount of tax required to be collected and shall mail or issue a notice of such assessment to the taxpayer together with a demand for immediate payment of the tax or of the deficiency in tax declared to be in jeopardy including penalties. In the case of a tax for a current period, the Tax Commissioner may declare the taxable period of the taxpayer immediately terminated and shall cause notice of such finding and declaration to be mailed or issued to the taxpayer together with a demand for immediate payment of the tax based on the period declared terminated and such tax shall be immediately due and payable, whether or not the time otherwise allowed by law for filing a return and paying the tax has expired. Assessments provided for in this section shall become immediately due and payable, and if any such tax, penalty or interest is not paid upon demand of the Tax Commissioner, he shall proceed to collect the same by legal process, or, in his discretion, he may require the taxpayer to file such bond as in his judgment may be sufficient to protect the interest of the Commonwealth.

§58.1-634. Period of limitations.

The taxes imposed by this chapter shall be assessed within three years from the date on which such taxes became due and payable. In the case of a false or fraudulent return with intent to evade payment of the taxes imposed by this chapter, or a failure to file a return, the taxes may be assessed, or a proceeding in court for the collection of such taxes may be begun without assessment, at any time within six years from such date. The Tax Commissioner shall not examine any person's records beyond

the three-year period of limitations unless he has reasonable evidence of fraud, or reasonable cause to believe that such person was required by law to file a return and failed to do so.

§58.1-635. Failure to file return; fraudulent return; civil penalties.

A. When any dealer fails to make any return and pay the full amount of the tax required by this chapter, there shall be imposed, in addition to other penalties provided herein, a specific penalty to be added to the tax in the amount of six percent if the failure is for not more than one month, with an additional six percent for each additional month, or fraction thereof, during which the failure continues, not to exceed 30 percent in the aggregate. In no case, however, shall the penalty be less than $10 and such minimum penalty shall apply whether or not any tax is due for the period for which such return was required. If such failure is due to providential or other good cause shown to the satisfaction of the Tax Commissioner, such return with or without remittance may be accepted exclusive of penalties. In the case of a false or fraudulent return where willful intent exists to defraud the Commonwealth of any tax due under this chapter, or in the case of a willful failure to file a return with the intent to defraud the Commonwealth of any such tax, a specific penalty of 50 percent of the amount of the proper tax shall be assessed. All penalties and interest imposed by this chapter shall be payable by the dealer and collectible by the Tax Commissioner in the same manner as if they were a part of the tax imposed.

B. It shall be prima facie evidence of intent to defraud the Commonwealth of any tax due under this chapter when any dealer reports its gross sales, gross proceeds or cost price, as the case may be, at 50 percent or less of the actual amount.

C. Interest at a rate determined in accordance with §58.1-15, shall accrue on the tax until the same is paid, or until an assessment is made, pursuant to §58.1-15, after which interest shall accrue as provided therein.

D. Notwithstanding any other provision of this section, any remote seller or marketplace facilitator that has collected an incorrect amount of sales and use tax shall be relieved from liability for such amount, including any penalty or interest, if the error is a result of the remote seller's or marketplace facilitator's reasonable reliance on information provided by the Commonwealth.

§58.1-636. Penalty for failure to file return or making false return.

Any dealer subject to the provisions of this chapter failing or refusing to file a return herein required to be made, or failing or refusing to file a supplemental return or other data required by the Tax Commissioner, or who makes a false or fraudulent return with intent to evade the tax hereby levied, or who makes a false or fraudulent claim for refund, or who gives or knowingly receives a false or fraudulent exemption certificate, or who violates any other provision of this chapter, punishment for which is not otherwise herein provided, shall be guilty of a Class 1 misdemeanor.

§58.1-637. Bad checks.

If any check tendered for any amount due under this chapter is not paid by the bank on which it is drawn and such person fails to pay the Commissioner the amount due the Commonwealth within five days after the Commissioner has given him written notice by registered or certified mail or in person by an agent that such check was returned unpaid, the person by whom such check was tendered shall be guilty of a violation of §18.2-182.1.

§58.1-1802.1. Period of limitations on collection; accrual of interest and penalty.

A. Where the assessment of any tax imposed by this subtitle has been made within the period of limitation properly applicable thereto, such tax may be collected by lien, by a proceeding in court, or by any other means available to the Tax Commissioner under the laws of the Commonwealth, but only if such collection effort is made or instituted within seven years from the date of the assessment of such tax. Except as otherwise provided in this section, effective for assessments made on and after July 1, 2016, all collection efforts shall cease after such seven-year period even if initiated during the seven-year period. Prior to the expiration of any period for collection, the period may be extended by a written agreement between the Tax Commissioner and the taxpayer, and subsequent written agreements may likewise extend the period previously agreed upon. The period of limitations provided in this subsection during which a tax may be collected shall not apply to executions, lien or other actions to enforce a lien created before the expiration of the period of limitations by the docketing of a judgment or the filing of a memorandum of lien pursuant to §58.1-1805; nor shall the period of limitations apply to the provisions of §§8.01-251 and 8.01-458.

B. The running of the period of limitations on collection shall be suspended for the period the assets of the taxpayer are in the control or custody of any state or federal court, including the United States Bankruptcy Court; for the period during which a taxpayer is outside the Commonwealth if such period of absence is for a continuous period of at least six months; or during the period that an installment agreement entered into by the taxpayer pursuant to §58.1-1817 is in effect.

C. If the Department of Taxation has no contact with the delinquent taxpayer for a period of six years and no memorandum of lien has been appropriately filed in a jurisdiction in which such taxpayer owns real estate, interest and penalty shall no longer be added to the delinquent tax liability. The mailing of notices by the Department to the taxpayer's last known address shall constitute contact with the taxpayer.

D. For purposes of this section, the "last known address" of the taxpayer means the address shown on the most recent return filed by or on behalf of the taxpayer or the address provided in correspondence by or on behalf of the taxpayer indicating that it is a change of the taxpayer's address.

§58.1-1803. Department of Taxation may appoint collectors of delinquent state taxes; Contract Collector Fund established.

A. The Department of Taxation may appoint a collector in any county or city, including the treasurer thereof, to collect delinquent state taxes that were assessed at least 90 days previously therein, or elsewhere in the Commonwealth, and may allow him a reasonable compensation, to be agreed on before the service is commenced. Where the appointed collector is a local government treasurer, any actions taken pursuant to this section shall be considered part of the official duties of such treasurer.

B. The Department of Taxation may appoint collectors or contract with collection agencies to collect delinquent state taxes that were assessed at least 90 days previously and allow

reasonable compensation for such services, to be agreed on before the service is commenced. Delinquent claims for state taxes may be assigned to collectors or collection agencies so designated for the purpose of litigation in the Department of Taxation's name and at the Department of Taxation's expense.

C. Such collectors who are attorneys-at-law shall have authority to institute actions at law or suits in equity for the recovery of state taxes. For the purpose of this section, the term "state taxes" shall include any penalty and interest and shall also include the local sales and use tax imposed under the authority of §§58.1-605 and 58.1-606 and any penalty and interest applicable thereto. Each collector so appointed or collection agency so contracted with shall give bond to the Commonwealth for the faithful performance of the duties placed upon him by this section, in a penalty to be fixed by the Tax Commissioner, in whose office the bond shall be filed. Notwithstanding any other provision of law, any local government treasurer so appointed may collect any delinquent state taxes pursuant to the provisions of Article 2 (§58.1-3910 et seq.) of Chapter 39 of this title. Any county or city treasurer turning over delinquent tax tickets to any such collector in pursuance of orders issued by the Department of Taxation shall receive credit on the Comptroller's books for the amount so turned over.

D. There is hereby established a special fund in the state treasury to be known as the Contract Collector Fund, hereinafter referred to as the Fund. All moneys collected by collectors and collection agencies appointed by or under contract with the Department of Taxation pursuant to this section shall be placed in the Fund. Compensation of such collectors and collection agencies shall be paid out of the Fund on warrant of the Comptroller. The Comptroller shall transfer to the appropriate general, non-general, or local fund all moneys in the Fund in excess of that required to be paid to persons under contract, as determined by the Department, no later than June 30 each year.

§58.1-1804. Collection out of estate in hands of or debts due by third party.

The Tax Commissioner may apply in writing to any person indebted to or having in his hands estate of a taxpayer for payment of any taxes assessed under §58.1-313 or 58.1-631, or of any taxes more than thirty days delinquent, out of such debt or estate. Payment by such person of such taxes, penalties and interest, either in whole or in part, shall entitle him to a credit against such debt or estate. The taxes, penalties and interest shall constitute a lien on the debt or estate due the taxpayer from the time the application is received. For each application served, the person applied to shall be entitled to a fee of twenty dollars which shall constitute a charge or credit against the debt to or estate of the taxpayer.

The Tax Commissioner shall send a copy of the application to the taxpayer, with a notice informing him of the remedies provided in this chapter.

If the person applied to does not pay so much as ought to be recovered out of such debt or estate, the Tax Commissioner shall procure a summons directing such person to appear before the appropriate court, where the proper payment may be enforced. Any person so summoned shall have the same rights of removal and appeal as are applicable to disputes among individuals.

§58.1-1805. Memorandum of lien for collection of taxes; release of lien.

A. If any taxes or fees, including penalties and interest, assessed by the Department of Taxation in pursuance of law against any person, are not paid within thirty days after the same become due, the Tax Commissioner may file a memorandum of lien in the circuit court clerk's office of the county or city in which the taxpayer's place of business is located, or in which the taxpayer resides. If the taxpayer has no place of business or residence within the Commonwealth, such memorandum may be filed in the Circuit Court of the City of Richmond. A copy of such memorandum may also be filed in the clerk's office of all counties and cities in which the taxpayer owns real estate. Such memorandum shall be recorded in the judgment docket book and shall have the effect of a judgment in favor of the Commonwealth, to be enforced as provided in Article 19 (§8.01-196 et seq.) of Chapter 3 of Title 8.01, except that a writ of fieri facias may issue at any time after the memorandum is filed. The lien on real estate shall become effective at the time the memorandum is filed in the jurisdiction in which the real estate is located. No memorandum of lien shall be filed unless the taxpayer is first given ten or more days' prior notice of intent to file a lien; however, in those instances where the Tax Commissioner determines that the collection of any tax, penalties or interest required to be paid pursuant to law will be jeopardized by the provision of such notice, notification may be provided to the taxpayer concurrent with the filing of the memorandum of lien. Such notice shall be given to the taxpayer at his last known address. For purposes of this section, "last known address" means the address shown on the most recent return filed by or on behalf of the taxpayer or the address provided in correspondence by or on behalf of the taxpayer indicating that it is a change of the taxpayer's address.

B. Recordation of a memorandum of lien hereunder shall not affect the right to a refund or exoneration under this chapter, nor shall an application for correction of an erroneous assessment affect the power of the Tax Commissioner to collect the tax, except as specifically provided in this title.

C. If after filing a memorandum of lien as required by subsection A, the Tax Commissioner determines that it is in the best interest of the Commonwealth, the Tax Commissioner may place padlocks on the doors of any business enterprise that is delinquent in either filing or paying any tax owed to the Commonwealth, or both. He shall also post notices of distraint on each of the doors so padlocked. If after three business days, the tax deficiency has not been satisfied or satisfactory arrangements for payment made, the Tax Commissioner may cause a writ of fieri facias to be issued.

It shall be a Class 1 misdemeanor for anyone to enter the padlocked premises without prior approval of the Tax Commissioner.

In the event that the taxpayer against whom the distraint has been applied subsequently makes application for correction of the assessment under § 58.1-1821, the taxpayer shall have the right to post bond equaling the amount of the tax liability in lieu of payment until the application is acted upon.

The provisions of subsection C shall be enforceable only after the promulgation, by the Tax Commissioner, of regulations under the Administrative Process Act (§ 2.2-4000 et seq.) setting forth the circumstances under which this subsection can be used.

D. A taxpayer may appeal to the Tax Commissioner after a memorandum of lien has been filed under this section if the taxpayer alleges an error in the filing of the lien. The Tax Commissioner shall make a determination of such an appeal within fourteen days. If the Tax Commissioner determines that the filing was erroneous, he shall issue a certificate of release of the lien within seven days after such determination is made.

§58.1-1812. Assessment of omitted taxes by the Department of Taxation.

A. If the Tax Commissioner ascertains that any person has failed to make a proper return or to pay in full any proper tax he shall assess the taxes prescribed by law, adding to the taxes so assessed the penalty prescribed by law, if any, for the failure to file a return (if a return was required by law but not filed within the time prescribed by law) and the penalty or penalties prescribed by law for the failure to pay the taxes and penalty or penalties within the time prescribed by law. If no penalty is so prescribed, he shall assess a penalty of 5 percent of the tax due, or if the failure to pay in full was fraudulent, a penalty of 100 percent of the tax due. In addition thereto, interest on the outstanding tax and penalty shall be charged at the rate established under §58.1-15 for the period between the due date and the date of full payment.

Except as otherwise provided by law, the amount of tax shall be assessed within three years after the return was filed, whether such return was filed on or after the date prescribed, and no proceeding in court without assessment shall be begun for the collection of such tax after the expiration of such period. A return of tax filed before the last day prescribed by law for the timely filing thereof shall be considered as filed on the last day. A return of recordation tax shall be considered as having been filed on the date of recordation. If no return is filed, the tax may be assessed within six years of the date such return was due. If a false or fraudulent return is filed with intent to evade the payment of tax, an assessment may be made at any time.

Upon such assessment, the Department of Taxation shall send a bill therefor to the taxpayer and the taxes, penalties and interest shall be remitted to the Department of Taxation within thirty days from the date of such bill. If such taxes, penalties and interest are not paid within such thirty days, interest at the rate provided herein shall accrue thereon from the date of such assessment until payment.

B. The Department of Taxation shall not assess penalty or interest on any assessment of tax for the recovery of an erroneous refund, as defined in this section, provided that the tax is paid to the Department within thirty days from the date of the bill. If the tax is not remitted to the Department within thirty days from the date of such bill, interest at the rate provided herein shall accrue thereon from the date of such assessment until payment.

As used in this section "erroneous refund" means any refund of tax resulting solely from an error by the Department of Taxation which results in the taxpayer receiving a refund to which the taxpayer is not entitled.

§58.1-1813. Liability of corporate officer or employee, or member, manager or employee of partnership or limited liability company, for failure to pay tax, etc.

A. Any corporate, partnership or limited liability officer who willfully fails to pay, collect or truthfully account for and pay over any tax administered by the Department of Taxation, or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty of the amount of the tax evaded, or not paid, collected or accounted for and paid over, to be assessed and collected in the same manner as such taxes are assessed and collected.

B. The term "corporate, partnership or limited liability officer" as used in this section means an officer or employee of a corporation, or a member, manager or employee of a partnership or limited liability company, who as such officer, employee, member or manager is under a duty to perform on behalf of the corporation, partnership or limited liability company the act in respect of which the violation occurs and who (1) had knowledge of the failure or attempt as set forth herein and (2) had authority to prevent such failure or attempt.

§58.1-1814. Criminal liability for failure to file returns or keep records.

A. Any corporate or partnership officer, as defined in §58.1-1813, and any other person required by law or regulations made under authority thereof to make a return, keep any records or supply any information, for the purpose of the computation, assessment or collection of any state tax administered by the Department of Taxation, who willfully fails to make such returns, keep such records or supply such information, at the time or times required by law or regulations, shall, in addition to any other penalties provided by law, be guilty of a Class 1 misdemeanor.

B. Any person who willfully utilizes a device or software to falsify the electronic records of cash registers or other point-of-sale systems or otherwise manipulates transaction records that affect any state tax liability shall, in addition to any other penalties provided by law, be guilty of a Class 1 misdemeanor.

C. In addition to the criminal penalty provided in subsection B and any other civil or criminal penalty provided in this title, any person violating subsection B shall pay a civil penalty of $20,000, to be assessed and collected by the Department as other taxes are collected and deposited into the general fund.

§ 58.1-1815. Willful failure to collect and account for tax.

Any corporate or partnership officer as defined in §58.1-1813, or any other person required to collect, account for and pay over any sales, use or withholding tax, who willfully fails to collect or truthfully account for and pay over such tax, and any such officer or person who willfully evades or attempts to evade any such tax or the payment thereof, shall, in addition to any other penalties provided by law, be guilty of a Class 1 misdemeanor.

§58.1-1816. Conversion of trust taxes; penalty; limitation of prosecutions.

Any corporate or partnership officer as defined in §58.1-1813, or any other person owning and operating a business, or a fiduciary operating or liquidating a business, who through two or more acts or omissions within a period of ninety days willfully fails to truthfully account for any state sales use or withholding tax totaling $1,000 or more collected from others with the intent not to pay over, shall, in addition to any other penalties provided by law, be guilty of a Class 6 felony. A prosecution under this section shall be commenced within five years next after the commission of the offense.

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

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

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

§58.1-1817.1. Waiver of tax penalties for small businesses.

As used in this section, "small business" means an independently owned and operated business that has been organized pursuant to Virginia law or maintains a principal place of business in Virginia and has 10 or fewer employees.

Any penalties related to taxes administered by the Department shall be waived for a small business during its first two years of operation, provided that such small business enters into an agreement pursuant to §58.1-1817. However, the Department shall not be required to waive the penalty imposed by §58.1-1816 or any civil penalties for the failure to remit state sales or withholding taxes.

§58.1-1823. Reassessment and refund upon the filing of amended return or the payment of an assessment.

Any person filing a tax return or paying an assessment required for any tax administered by the Department may file an amended return with the Department within the later of (i) three years from the last day prescribed by law for the timely filing of the return; (ii) one year from the final determination of any change or correction in the liability of the taxpayer for any federal tax upon which the state tax is based, provided that the refund does not exceed the amount of the decrease in Virginia tax attributable to such federal change or correction; (iii) two years from the filing of an amended Virginia return resulting in the payment of additional tax, provided that the amended return raises issues relating solely to such prior amended return and that the refund does not exceed the amount of the payment with such prior amended return; (iv) two years from the payment of an assessment, provided that the amended return raises issues relating solely to such assessment and that the refund does not exceed the amount of such payment; or (v) one year from the final determination of any change or correction in the income tax of the taxpayer for any other state, provided that the refund does not exceed the amount of the decrease in Virginia tax attributable to such change or correction. If the Department is satisfied, by evidence submitted to it or otherwise, that the tax assessed and paid upon the original return exceeds the proper amount, the Department may reassess the taxpayer and order that any amount excessively paid be refunded to him. The Department may reduce such refund by the amount of any taxes, penalties and interest which are due for the period covered by the amended return, or any past-due taxes, penalties and interest which have been assessed within the appropriate period of limitations. Any order of the Department denying such reassessment and refund, or the failure of the Department to act thereon within three months shall, as to matters first raised by the amended return, be deemed an assessment for the purpose of enabling the taxpayer to pursue the remedies allowed under this chapter.

23VAC10-210-570. Fairs, Flea Markets, Circuses, Carnivals, Etc.

A. Any person selling tangible personal property at fairs, flea markets, carnivals, circuses, etc. must hold a certificate of registration to collect the sales tax and is required to collect and remit the tax on all such sales. For purposes of collection of the tax, no distinction is made between profit and nonprofit vendors. Persons selling at fairs, flea markets, carnivals and circuses do not qualify for the "occasional sale" exemption set forth in 23VAC10-210-1080. Any person selling at a fair, flea market, carnival or circus should contact the department to obtain a certificate of registration for purposes of making sales at the fair, flea market, etc. However, nothing contained in this section shall prohibit the department from authorizing sponsors or operators of fairs, carnivals, flea markets, circuses, etc. to remit the tax collected by persons selling at such events. Any operator or sponsor seeking authorization to remit tax on behalf of participants must apply in writing to the department.

B. Tangible personal property used or consumed in operating fairs, flea markets, circuses, amusement parks, etc. is subject to the tax at the time of purchase. If the property is purchased outside of Virginia, the purchaser is liable for the use tax. A credit against use tax liability may be allowed for sales or use tax paid to another state or its political subdivision. (See 23VAC10-210-450.)

23VAC10-210-1080. Occasional Sale.

A. Generally. The tax does not apply to an occasional sale provided the sale or exchange is not one of a series of sales or exchanges sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of registration.

B. Occasional sale defined. The term "occasional sale" means:

1. A sale by a person who is engaged in sales on three or fewer separate occasions within one calendar year, except that sales at fairs, flea markets, circuses and carnivals and sales made by peddlers and street vendors are not occasional sales; or
2. A sale of tangible personal property not held or used by a seller in the course of an activity for which he is required to hold a certificate of registration. The words "not held or used by a seller in the course of an activity for which he is required to hold a certificate of registration" mean that a registered dealer is not entitled to an occasional sale exemption solely by virtue of the fact that the article sold may be of a different class from the merchandise he/she regularly sells; or
3. The sale or exchange of all or substantially all the assets of any business; or
4. The reorganization or liquidation of any business.

The following examples illustrate the application of the occasional sale exemption:

Example 1: If Company A, which holds a certificate of registration only for retail sales made in its employee cafeteria, sells one piece of computer equipment, such transaction will be deemed an occasional sale since the computer is not property used in the cafeteria, which is the activity for which A is required to hold a certificate of registration.

Example 2: If Company B, which operates a hotel and holds a certificate of registration for collecting tax on room rentals, sells beds and mattresses used in the hotel, the occasional sale exemption is inapplicable since the property being sold is being used in the activity for which B is required to hold a certificate of registration.

Any person who is engaged in limited sales activity is encouraged to request a written ruling on the applicability of the occasional sale exemption to the sales activity.

C. Purchases. Any person who purchases an item in a transaction which is deemed an "occasional sale" shall likewise not be liable for any use tax on such purchase.

For auctioneers, agents and factors, see 23VAC10-210-140.

23VAC10-210-3090. Sale or Quitting of Business; Successor Business.

A. Sale or quitting business, final return. If any dealer liable for any tax, penalty or interest sells his business or stock of goods or quits the business, he must make a final return and payment within 15 days after the date of selling or quitting the business. At that time, he must also return his Certificate of Registration to the Department of Taxation and include a letter explaining the situation. He must report on his final return the full name and address of any successor.

B. Liability of successor business for unpaid taxes. If a sale of a business for a consideration occurs, the dealer's successors or assigns, if any, must withhold a sufficient portion of the purchase money to cover the amount of any taxes, penalties and interest due and unpaid until the former owner produces either a receipt from the Department of Taxation showing that payment has been made or a certificate stating that no taxes, penalties or interest are due. If the purchaser of a business or stock of goods fails to withhold a sufficient portion of the purchase money, he becomes personally liable for the payment of the taxes, penalties and interest due and unpaid by any former owner. This section does not qualify or limit the exemption from the sales tax of

an occasional sale as defined in 23VAC10-210-1080 nor does it intend to imply successor liability where no "sale" of a business occurs.

C. Application of successor business for Certificate of Registration. Any person, firm or corporation who succeeds a dealer in the operation of a business must apply for a Certificate of Registration. When applying for a Certificate of Registration, the successor dealer must inform the department of the acquisition of the business previously operated and furnish the name and certificate number of the previous dealer. The successor may request a receipt of certificate from the department showing the amount of tax, or no tax, due by the previous dealer. Such a receipt or certificate will be sufficient evidence to authorize the successor to release to the previous dealer any funds withheld from the purchase price. A Certificate of Registration may not be issued to a successor who has been notified by the department that any tax, penalty or interest is due and unpaid by previous dealers until such amount is paid in full.