Office of Regulatory Management

Economic Review Form

Agency name	Department of Taxation
Virginia Administrative Code (VAC) Chapter citation(s)	23 VAC 10-20
VAC Chapter title(s)	General Provisions Applicable to All Taxes Administered by the Department of Taxation
Action title	Fast Track Action to amend 23VAC10-20-165 (Administrative Appeals) to reflect current communications practices
Date this document prepared	October 13, 2025 (Revised January 5, 2026)
Regulatory Stage (including Issuance of Guidance Documents)	Fast Track

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any direct costs of this proposed change that it is able to monetize. This action will also provide cross references to statutory law and other regulation sections, as well as to simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any direct costs from these changes that it is able to monetize. Indirect Costs: Describe the indirect costs of the proposed change. • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any indirect costs of this proposed change that it is able to monetize. This action will also provide cross references to statutory law and other regulation sections, as well as to simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any indirect costs from these changes that it is able to monetize. Direct Benefits: Describe the direct benefits of the proposed change. • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the Covid-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any direct benefits of this proposed change that it is able to monetize. This action will also provide cross references to statutory law and other regulation sections, as well as to simplify the language used

	in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any direct benefits from these changes that it is able to monetize. Indirect Benefits: Describe the indirect benefits of the proposed change. • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any indirect benefits of this proposed change that it is able to monetize. This action will also provide cross references to statutory law and other regulation sections, as well as to simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any indirect benefits from these changes that it is able to monetize.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not Available.	(b) Not Available.
(3) Net Monetized Benefit	Not Available.	
(4) Other Costs & Benefits (Non-Monetized)	Unknown.	
(5) Information Sources	Not applicable.	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: • Even if the regulation was not changed, the Department would continue to use virtual meetings for holding conferences related to taxpayers' administrative appeals. Accordingly, there would be no direct costs from retaining the status quo that can be monetized. If the language of the regulation was not simplified, it would remain harder for taxpayers, tax practitioners, and department staff to understand, but there would be no direct costs associated with retaining the status quo that can be monetized.

<table>
<tr><td></td><td colspan="2">Indirect Costs:
Even if the regulation was not changed, the Department would continue to use virtual meetings for holding conferences related to taxpayers' administrative appeals. Accordingly, there would be no indirect costs from retaining the status quo that can be monetized. If the language of the regulation was not simplified, it would remain somewhat less easy for taxpayers, tax practitioners, and department staff to understand, but there would be no indirect costs associated with retaining the status quo that can be monetized.
Direct Benefits:
Even if the regulation was not changed, the Department would continue to use virtual meetings for holding conferences related to taxpayers' administrative appeals. Accordingly, there would be no direct benefits from retaining the status quo that can be monetized. If the language of the regulation was not simplified, it would remain somewhat less easy for taxpayers, tax practitioners, and department staff to understand, but there would be no direct benefits associated with retaining the status quo that can be monetized.
Indirect Benefits:
Even if the regulation was not changed, the Department would continue to use virtual meetings for holding conferences related to taxpayers' administrative appeals. Accordingly, there would be no indirect benefits from retaining the status quo that can be monetized. If the language of the regulation was not simplified, it would remain somewhat less easy for taxpayers, tax practitioners, and department staff to understand, and there would be no indirect benefits associated with retaining the status quo that can be monetized.</td></tr>
<tr><td>(2) Present Monetized Values</td><td>Direct & Indirect Costs</td><td>Direct & Indirect Benefits</td></tr>
<tr><td></td><td>(a) Not available.</td><td>(b) Not available.</td></tr>
<tr><td>(3) Net Monetized Benefit</td><td colspan="2">Not available.</td></tr>
<tr><td>(4) Other Costs & Benefits (Non-Monetized)</td><td colspan="2">Not available.</td></tr>
</table>

(5) Information Sources	Not applicable.

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: • As the Department has already made the transition to virtual meetings, no alternative to this change has been identified and accordingly, no direct costs of an alternative have been identified. Regarding the simplification of the regulation language, the Department has been unable to identify an alternative and accordingly, no direct costs of an alternative have been identified. Indirect Costs: • As the Department has already made the transition to virtual meetings, no alternative to this change has been identified and accordingly, no indirect costs of an alternative have been identified. Regarding the simplification of the regulation language, the Department has been unable to identify an alternative and accordingly, no indirect costs of an alternative have been identified. Direct Benefits: • As the Department has already made the transition to virtual meetings, no alternative to this change has been identified and accordingly, no direct benefits of an alternative have been identified. Regarding the simplification of the regulation language, the Department has been unable to identify an alternative and accordingly, no direct benefits of an alternative have been identified. Indirect Benefits: • As the Department has already made the transition to virtual meetings, no alternative to this change has been identified and accordingly, no indirect benefits of an alternative have been identified. Regarding the simplification of the regulation language, the Department has been unable to identify an alternative and accordingly, no indirect benefits of an alternative have been identified.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

<u>Impact on Local Partners</u>

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: • This action will have no impact on local partners. Indirect Costs: • This action will have no impact on local partners. Direct Benefits: • This action will have no impact on local partners. Indirect Benefits: • This action will have no impact on local partners.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(4) Assistance	Not applicable.	

(5) Information Sources	Not applicable.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: • The Department does not anticipate any impact on families from these changes and accordingly is unable to identify any direct costs to families associated with the proposed changes. Indirect Costs: • The Department does not anticipate any impact on families from these changes and accordingly is unable to identify any indirect costs to families associated with the proposed changes. Direct Benefits: • The Department does not anticipate any impact on families from these changes and accordingly is unable to identify any direct benefits to families associated with the proposed changes. Indirect Benefits: • The Department does not anticipate any impact on families from these changes and accordingly is unable to identify any indirect benefits to families associated with the proposed changes.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not Applicable.	(b) Not Applicable.
(3) Other Costs & Benefits (Non-Monetized)	Not Applicable.	
(4) Information Sources	Not Applicable.	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any direct costs of this proposed change to small businesses that it is able to monetize. This action will also simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any direct costs to small businesses from these changes that it is able to monetize. Indirect Costs: • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any indirect costs of this proposed change to small businesses that it is able to monetize. This action will also simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any indirect costs to small businesses from these changes that it is able to monetize. Direct Benefits: • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any direct benefits from this change to small businesses that it is able to monetize. This action will also simplify the language used in the section, which will make it easier for taxpayers, tax

	practitioners, and Department staff to understand the section. The Department is unable to identify any direct benefits to small businesses from these changes that it is able to monetize. Indirect Benefits: • The major change made by this action will be to adopt virtual meetings as the default means of holding conferences related to taxpayers' administrative appeals of tax assessments. As the Department adopted virtual meetings for administrative appeals during the COVID-19 pandemic and continues to use virtual meetings in most cases, the Department is unable to identify any indirect benefits from this change to small businesses that it is able to monetize. This action will also simplify the language used in the section, which will make it easier for taxpayers, tax practitioners, and Department staff to understand the section. The Department is unable to identify any indirect benefits to small businesses from these changes that it is able to monetize.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not Applicable.	(b) Not Applicable.
(3) Other Costs & Benefits (Non-Monetized)	Not Applicable.	
(4) Alternatives	Not Applicable.	
(5) Information Sources	Not Applicable.	

<u>Changes to Number of Regulatory Requirements</u>

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	**Authority of Change**	**Initial Count**	**Additions**	**Subtractions**	**Total Net Change in Requirements**
	(M/A):	**0**	0	0	0
	(D/A):	**37**	0	0	0
	(M/R):	**0**	0	0	0
	(D/R):	**49**	0	30	-30
				Grand Total of Changes in Requirements:	**(M/A):0**
					(D/A):0
					(M/R):0
					(D/R):-30

Key:
Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:
(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself
(D/A): Discretionary requirements affecting agency itself
(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies
(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	**Description of Regulatory Requirement**	**Initial Cost**	**New Cost**	**Overall Cost Savings/Increases**
Not Applicable				

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	**Description of Regulatory Change**	**Overview of How It Reduces or Increases Regulatory Burden**
Not Applicable		

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	**Original Word Count**	**New Word Count**	**Net Change in Word Count**

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).