

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Taxation
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	23 VAC 10-210
<b>VAC Chapter title(s)</b>	Retail Sales and Use Tax
<b>Action title</b>	Fast Track Action to Amend the Retail Sales and Use Tax Regulation to conform the Regulation to Statutory Changes
<b>Date this document prepared</b>	January 10, 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	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)	<p>Direct Costs: As this action will conform the regulation to changes in the statutory law passed in 2017 and 2019, which have already been implemented by the Department of Taxation, it will have no direct costs.</p> <p>Indirect Costs: As this action will conform the regulation to changes in the statutory law passed in 2017 and 2019, which have already been implemented by the Department of Taxation, it will have no indirect costs.</p>
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	<p>Direct Benefits: As this action will conform the regulation to current statutory law, it may result in unknown direct benefits to the extent that it eliminates any possible taxpayer confusion resulting from a regulation that does not conform to current statutory law.</p> <p>Indirect Benefits: As this action will conform the regulation to current statutory law, it may result in unknown direct benefits to the extent that it eliminates any possible taxpayer confusion resulting from a regulation that does not conform to current statutory law.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown..	(b) Unknown.
(3) Net Monetized Benefit	Unknown.	
(4) Other Costs & Benefits (Non-Monetized)	Unknown.	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: As the regulation will be incorrect, there may be unknown direct costs resulting from possible taxpayer confusion resulting from a regulation that does not conform to current statutory law.</p> <p>Indirect Costs: As the regulation will be incorrect, there may be unknown indirect costs resulting from possible taxpayer confusion resulting from leaving in place a regulation that does not conform to current statutory law.</p> <p>Direct Benefits: There will be no direct benefits resulting from leaving in place a regulation that does not conform to current statutory law.</p> <p>Indirect Benefits: There will be no indirect benefits resulting from leaving in place a regulation that does not conform to current statutory law.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) Unknown	(b) Unknown
(3) Net Monetized Benefit	Unknown	
(4) Other Costs & Benefits (Non-Monetized)	Unknown	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There is no alternative other than to correct the regulation. Indirect Costs: There is no alternative other than to correct the regulation. Direct Benefits: There is no alternative other than to correct the regulation. Indirect Benefits: There is no alternative other than to correct the regulation.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown.	(b) Unknown.
(3) Net Monetized Benefit	Unknown.	
(4) Other Costs & Benefits (Non-Monetized)	Unknown.	
(5) Information Sources	N/A	

**Impact on Local Partners**

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: As this action will conform the regulation to current statutory law, it will have no direct costs on local partners.
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	<p>Indirect Costs: As this action will conform the regulation to current statutory law, it will have no indirect costs on local partners.</p> <p>Direct Benefits: As this action will conform the regulation to current statutory law, it may have unknown direct benefits by eliminating taxpayer confusion.</p> <p>Indirect Benefits: As this action will conform the regulation to current statutory law, it will may have unknown indirect benefits by eliminating taxpayer confusion.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown.	(b) Unknown.
(3) Other Costs & Benefits (Non-Monetized)	Unknown.	
(4) Assistance	None.	
(5) Information Sources	N/A	

**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)	<p>Direct Costs: As this action will conform the regulation to current statutory law, it will have no direct costs on families.</p> <p>Indirect Costs: As this action will conform the regulation to current statutory law, it will have no indirect costs on families.</p> <p>Direct Benefits: As this action will conform the regulation to current statutory law, it may have unknown direct benefits resulting from eliminating taxpayer confusion.</p>
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	Indirect Benefits: As this action will conform the regulation to current statutory law, it may have unknown indirect benefits resulting from eliminating taxpayer confusion.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown.	(b) Unknown.
(3) Other Costs & Benefits (Non-Monetized)	Unknown.	
(4) Information Sources	N/A	

**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)	<p>Direct Costs: As this action will conform the regulation to current statutory law, it will have no direct costs on Small Businesses.</p> <p>Indirect Costs: As this action will conform the regulation to current statutory law, it will have no indirect costs on Small Businesses.</p> <p>Direct Benefits: As this action will conform the regulation to current statutory law, it may have unknown direct benefits by eliminating taxpayer confusion.</p> <p>Indirect Benefits: As this action will conform the regulation to current statutory law, it may have unknown indirect benefits by eliminating taxpayer confusion.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unknown.	(b) Unknown.
(3) Other Costs & Benefits (Non-Monetized)	Unknown.	
(4) Alternatives	As the current regulation is incorrect due to law changes, there is no alternative other than correcting the regulation.	

(5) Information Sources	None.
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**Changes to Number of Regulatory Requirements**

*For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.*

**Table 5: Total Number of Requirements**

	<b>Number of Requirements</b>			
<b>Chapter number</b>	<b>Initial Count</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Net Change</b>
210	2281	0	0	0
<b>TOTAL</b>	2281	0	0	0