

Redacted Copy

Implementation of Agreement on Coordination of Tax Administration
Between
Virginia Department of Taxation
and
Richmond District Internal Revenue Service

Section 1. Purpose

Under the authority of Section 6103(d) of the Internal Revenue Code, the Tax Commissioner of the Commonwealth of Virginia and the Commissioner of the Internal Revenue Service adopted a basic Agreement on Coordination of Tax Administration. The purpose of this document is to facilitate the implementation of the basic Agreement by stating the types and amounts of information to be exchanged, the procedures for exchanging it, etc.

Section 2. Federal and State Liaison Officials

.01 Internal Revenue Service

George E. Sutton
Disclosure Officer
P. O. Box 10049
Richmond, Virginia 23240

.02 Department of Taxation

Raymond E. Dobyns
Deputy Tax Commissioner
P. O. Box 6-L
Richmond, Virginia 23282

.03 In addition to the primary liaison officials listed above, the following secondary liaison personnel are designated for contact regarding routine operational matters:

1 Internal Revenue Service

a Chief, Planning and Special Programs Staff,
Examination Division, Richmond District

b Chief, Examination Support and Processing Branch,
Examination Division, Richmond District

c Chief, Special Procedures and Support Staff,
Collection Division, Richmond District

d Disclosure Officer, Memphis Service Center

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2 Department of Taxation

- a Director, Office Services Division
- b Supervisor, Compliance Section
- c Supervisor, Compliance Unit (Manual)
- d Supervisor, Compliance Unit (Automated)
- e Supervisor, Data Services Section
- f Internal Auditor

Section 3. Information to be Exchanged on a Continuing Basis

.01 Material Furnished to the Department of Taxation by the Internal Revenue Service

- 1 The Disclosure Officer, Richmond District, will transmit

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The types of reports to be forwarded will include cases meeting the established criteria set forth above when the tax liability has been agreed or assessed, including those cases agreed at the Appeals Office level and cases where liability has been determined by judicial authority. For such cases, the limited portion of the examination report will be accompanied by computation of tax set forth in the Appeals or other report.

For those examination reports involving multiple year examinations wherein one of the years meets the criteria set forth above, no deletion will be made solely for the reason that one of the years examined does not meet the established criteria.

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3 Form 3210 (Document Transmittal) will be used to send documents by double-sealed mailing to:

Department of Taxation
Attention: Supervisor, Compliance Unit (Manual)
Personal and Confidential
P. O. Box 565
Richmond, Virginia 23204

Receipt will be acknowledged on the Form 3210 and the form returned to Internal Revenue Service.

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.02 Material Furnished to the Internal Revenue Service by the Department of Taxation

1 The Department of Taxation will transmit monthly to the

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3 A form similar to Form 3210 will be used by the Department of Taxation to transmit documents by double-sealed mailing to:

Internal Revenue Service
Attention: Chief, Planning and Special Programs Staff
P. O. Box 10067
Richmond, Virginia 23240

Receipt will be acknowledged on the form and the form returned to the Department of Taxation.

Section 4. Specific Requests for Returns and Return Information

01. Requests by the Department of Taxation for copies of returns of Virginia residents should be sent to the Memphis Service Center at the following address:

Internal Revenue Service Center
Attention: Photocopy Unit, Stop 46
P. O. Box 2501, AMF
Memphis, Tennessee 38101

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Requests for copies of returns of residents of other states and requests for copies of return information of all taxpayers regardless of residency should be sent to:

Internal Revenue Service
Attention: Disclosure Officer
P. O. Box 10049
Richmond, Virginia 23240

.02 When the Internal Revenue Service liaison official has a Federal return and/or return information which will not be transmitted to the Department of Taxation under other provisions of this agreement but which may be evidence of any intentional or inadvertent understatement of any State tax described in Section 3 of the basic Agreement on Coordination of Tax Administration, the Internal Revenue Service liaison official shall, if the understatement of tax potentially is or more or if the understatement or violation is potentially a criminal tax violation, contact the Department of Taxation liaison official and describe the return and/or return information (without disclosing identifying information) in sufficient detail to ascertain the department's need and potential use of the return or return information. If, in the judgment of the Internal Revenue Service liaison official, the Department of Taxation has a need and use of the return and/or return information, he/she shall then transmit it to the Department of Taxation.

.03 Requests by Richmond District employees for State returns and return information should be sent to the Department of Taxation at the address shown above in Section 3.013. The request must include the taxpayer's name, address, social security number or employer identification number, and the specific information desired by tax period. The request must be signed by the employee's manager.

.04 Requests for State tax refund information may be made telephonically by Richmond District tax auditors, revenue agents, special agents, revenue officers, and managers by calling the Supervisor, Compliance Unit (Manual), on (804) 257-8290.

Section 5. Magnetic Tape Extract Program

.01 The Internal Revenue Service National Office will transmit periodically to the Department of Taxation a tape extract of agreed

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computer paragraph (CP) 2000 cases from the Information Returns Program. A taxpayer's data will be extracted when the increase in

.02 The Internal Revenue Service National Office manages several programs whereby the Department of Taxation can obtain other tape extracts such as the individual and business master file extracts. The Internal Revenue Service liaison official will coordinate these programs with the Department of Taxation liaison official without requiring an amendment to this implementing agreement.

.03 In accordance with instructions contained in Revenue Procedure 83-28, the Department of Taxation will, in January of each year, provide the Service a magnetic tape report of all State income

credited to any individual during the preceding calendar year. With respect to each such refund paid or credit or offset allowed, the report shall contain: the aggregate amount; the taxable year with respect to which the amount was paid or allowed; and the recipient's name, address, and social security number. The tape will be mailed to:

Magnetic Media Reporting
Internal Revenue Service National Computer Center
Route 9, Needy Road
P. O. Box 1359
Martinsburg, West Virginia 25401-1359

Section 6. Filing Requirements for Information Returns

The parties to this agreement recognize the importance of the filing requirements for State and Federal information returns (Forms 1099, 1087, W-2, etc., and their State equivalents). The Tax Commissioner agrees to assist other State agencies in instilling compliance in this area. Both parties agree to provide, upon request, identity data regarding payers who have or may have an information return filing requirement and information about methods used to improve and ensure payer compliance.

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Section 7. Meetings Between Department of Taxation and Internal Revenue Service Personnel

The Internal Revenue Service liaison official and State liaison official will meet periodically, as they determine necessary, at the Department of Taxation to review the success of the existing exchange programs, examine the need for and use of data being exchanged, explore additional areas where exchange would be beneficial, and determine whether the provisions of the implementing agreement require amendment or revision.

Section 8. Reproduction Costs

All parties agree to waive reproduction costs. However, this waiver does not apply to magnetic tape extracts supplied to the Tax Commissioner by the Internal Revenue Service National Computer Center.

Section 9. Limitations

The terms of this implementing agreement are not intended to alter, amend, or rescind any provision of the basic Agreement on Coordination of Tax Administration now in effect between the Tax Commissioner and the Commissioner of Internal Revenue. In case of conflict, the provisions of the basic Agreement on Coordination of Tax Administration will govern and conflicting provisions of this agreement will be null and void.

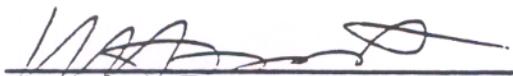
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Section 10. Amendments

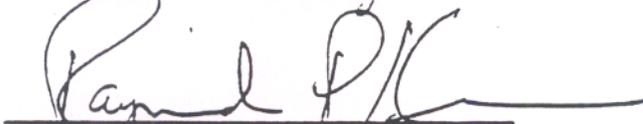
The terms of this implementing agreement may be modified and specifications concerning new exchange programs added by means of written amendments. Such amendments must be signed by the Richmond District Director and the Tax Commissioner with the concurrence of Director, Memphis Service Center.

APPROVED:


(signature)

W. H. Forst
Tax Commissioner, Commonwealth of Virginia

Signed at Richmond, Virginia
this 26th day of July, 1986


(signature)

Raymond P. Keenan
Director, Memphis Service Center, Internal Revenue Service

Signed at Memphis, Tennessee
this 5th day of September 1986


(signature)

Gerard R. Esposito
District Director, Richmond District, Internal Revenue Service

Signed at Richmond, Virginia
this 15th day of September, 1986

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