

**MEMORANDUM OF AGREEMENT
BETWEEN THE VIRGINIA DEPARTMENT OF TAXATION and
THE NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

This Memorandum of Agreement between the Department of Taxation (TAX) and The Northern Virginia Transportation Commission (NVTC) memorializes certain terms that shall govern the disposition of Administrative Appeals filed under *Virginia Code* § 58.1-1821 and Offers in Compromise filed under *Virginia Code* § 58.1-105 in cases where the subject tax liability is comprised, in whole or in part, of tax, penalty, or interest levied pursuant to the authority set out in *Virginia Code* § 58.1-1719, *et seq.* (Northern Virginia Retail Motor Fuel Sales Tax), and payable to NVTC. This agreement shall become effective as of the date when both parties have signed it, and shall remain in effect until terminated.

TERMS:

During the term of this agreement, TAX agrees to the following:

1. In the case of any administrative appeal or offer in compromise filed with TAX seeking relief from the payment of fuel tax payable to NVTC in an amount greater than \$25,000, TAX assess the merits of the appeal or offer in compromise and reach a preliminary conclusion about its disposition. In the event TAX's preliminary conclusion about the disposition results in at least a \$25,000 reduction in the amount of motor fuel sales tax initially assessed by TAX and billed to the taxpayer, TAX will notify the Designated Disclosure Officer of the appeal or offer and furnish the Designated Disclosure Officer with copies of the appeal and any papers submitted by the taxpayer in support of the appeal or offer in compromise; and with TAX's preliminary conclusion containing TAX's rationale for the proposed disposition. All such materials will be redacted to remove any confidential tax information not directly related to fuel tax. Such notice will be made by first class mail.
2. Unless otherwise provided, NVTC will have 30 days following notification from TAX to supply TAX with any additional information or analysis that it believes to be pertinent to the consideration of the appeal or offer. An extension of this time may be granted by TAX in cases where TAX deems circumstances to warrant an extension. In the event that the Tax Commissioner determines that it is essential to resolve the case more quickly, a shorter timeframe may be imposed.
3. TAX will inform the Designated Disclosure Officer of the final disposition of the case. If the final disposition deviates from TAX's preliminary conclusion, TAX will provide the Designated Disclosure Officer an explanation for the deviation.

During the term of this agreement, NVTC agrees to the following:

1. NVTC will designate one or more of its members or officers to be the "Designated Disclosure Officer" eligible to request and receive confidential tax information from TAX, and who will be responsible for ensuring that the requirements of this Memorandum with respect to such tax information are carried out. A Designated Disclosure Officer must be an officer of a city or county and a member of the NVTC or a person who is otherwise a person eligible to request confidential tax information pursuant to *Virginia Code* § 58.1-1724.1.
2. The Designated Disclosure Officer shall store the original and any copies of materials furnished to the in connection with an administrative appeal in a locked container in the office of the Designated Disclosure Officer, or in the office of the NVTC's Chief Financial Officer if the Designated Disclosure Officer does not have an office at the NVTC.
3. The Designated Disclosure Officer may distribute copies to other commission members who are officers of a city or county within the meaning of *Virginia Code* § 58.1-1724.1, and their legal counsel. The Designated Disclosure Officer shall inform every recipient of such copies:
 - a. That the documents contain confidential tax information;
 - b. That the documents may not be further copied or distributed and the recipient is subject to criminal penalties under *Va. Code* § 58.1-3 for unauthorized disclosure;
 - c. That any discussion of the contents of the documents with, or within hearing of, or the use of insecure electronic communications that result in interception of information by, any person who is not an authorized recipient of confidential tax information may be an unauthorized disclosure;
 - d. Any discussion of an appeal or offer, including the existence of such, in any public meeting is expressly prohibited; and
 - e. That recipients must store the documents in locked containers.
4. Upon notice from TAX that an affected appeal or offer has been granted, denied, or otherwise concluded, all documents containing confidential tax information furnished by TAX to the Designated Disclosure Officer, along with any attachments or copies created by NVTC, shall be returned immediately to the Designated Disclosure Officer who shall forthwith destroy all such materials by shredding or burning.
5. The Designated Disclosure Officer and NVTC will not further disclose, in whole or in part, any materials furnished to the Designated Disclosure Officer

by TAX except as provided in paragraph 3 above. The Designated Disclosure Officer and NVTC will not disclose the fact that an appeal or offer has been filed to anyone who is not authorized to receive confidential tax information.

CONSTRUCTION:

Nothing in this agreement shall be construed to mean that the Tax Commissioner has ceded, granted, or otherwise conveyed to NVTC, or its representatives, any authority to make a final determination of any affected appeal or offer, or to approve or disapprove any such final determination made by TAX.

MODIFICATION:

This agreement may be modified in writing from time to time as deemed mutually desirable and acceptable to the parties.

TERMINATION:

This agreement shall remain in effect until terminated. Either party to the agreement may terminate the agreement at any time by providing written notice to the other party at least 60 days prior to the termination date.

Signed on behalf of the
Department of Taxation by:



Janie Bowen
Tax Commissioner

11/18/09

Date

Signed on behalf of the -
Northern Virginia Transportation Commission by:



Christopher Zimmerman

12/3/09

Date