



Economic Impact Analysis Virginia Department of Planning and Budget

**23 VAC 10-20 – General Provisions Applicable to All Taxes Administered by the
Department of Taxation
Department of Taxation
September 17, 2008**

Summary of the Proposed Amendments to Regulation

The Department of Taxation (Department) currently provides guidance to the public on how to appeal tax assessments within a document titled “Administrative Appeal Guidelines for Tax Assessments Issued by the Virginia Department of Taxation.” The Guidelines were created to supplement Code of Virginia Section § 58.1-1821 and these regulations (23 VAC 10-20 – General Provisions Applicable to All Taxes Administered by the Department of Taxation). The Department now proposes to incorporate the Guidelines into the regulations and to eliminate duplicate language and reorganize the content of some related regulation sections.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Since the Guidelines are not more restrictive than the Code of Virginia and placing the Guidelines within the regulations may make it easier for taxpayers who are aware of the regulations but not the Guidelines to determine how and when their appeals should be filed, the proposal should provide benefit to the public with no associated cost.

Businesses and Entities Affected

These regulations potentially affect all Virginia taxpayers.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal amendments do not directly affect employment.

Effects on the Use and Value of Private Property

The proposal amendments do not directly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposal to incorporate the Guidelines within the regulations may save a small amount of time for small business owners who wish to appeal tax assessments.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Real Estate Development Costs

The proposed amendments do not directly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the

regulation. The analysis presented above represents DPB's best estimate of these economic impacts.