

Income/Franchise:

Virginia: New Law Eliminates \$10K Penalty Associated with Unitary Combined Information Reports

H.B. 7001, signed by gov. 8/10/21. In 2021 Special Session II of General Assembly, the \$10,000 penalty associated with failure to timely file Virginia's one-time unitary combined information report was stricken from the Code of Virginia. Legislation enacted earlier this year [see *H.B. 1800* (2021), and previously issued Multistate Tax Alert for more details on this new information report] requires some corporations that are members of a "unitary business" to file an informational report with the Virginia Department of Taxation (Department) by July 1, 2021, containing the unitary group's combined net income and tax. While there is no tax due with this new Virginia informational report, *H.B. 1800* (2021) had provided that impacted businesses that do not file the report, or make a material misstatement or omission on it, may be subject to a \$10,000 penalty. Prior to the elimination of this penalty from the law, earlier guidance from the Department appeared to indicate that this \$10,000 penalty may have applied to each corporation separately. Please contact us with any questions.

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?213+sum+HB7001>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?212+sum+HB1800&212+sum+HB1800>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-virginia-budget-bill-requires-corporations-to-file-an-informational-report-on-unitary-combined-reporting.pdf>

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