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HOUSE BILL NO. 734

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to require the Chairs of the House Committee on Finance and the Senate Committee on Finance and Appropriations to convene a work group to evaluate the feasibility of establishing an independent tax tribunal in the Commonwealth; report.

Patron—Leftwich

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. § 1. *The Chairs of the House Committee on Finance and the Senate Committee on Finance and Appropriations shall convene a work group to evaluate the feasibility of establishing an independent tax tribunal in the Commonwealth. The work group shall consist of (i) four members of the House of Delegates, at least two of whom shall be members of the House Committee on Finance, and who shall be selected by the Chair of the House Committee on Finance; (ii) three members of the Senate of Virginia, at least two of whom shall be members of the Senate Committee on Finance and Appropriations, and who shall be selected by the Chair of the Senate Committee on Finance and Appropriations; (iii) the Tax Commissioner or his designee; (iv) two representatives from the Tax Adjudication and Resolution Division of the Department of Taxation, to be selected by the Tax Commissioner; (v) two attorneys who shall each have at least five years' experience in litigating tax disputes before the Department of Taxation, one of whom shall be selected by the Chair of the House Committee on Finance, and the other of whom shall be selected by the Chair of the Senate Committee on Finance and Appropriations; (vi) two representatives from the Virginia Society of CPAs, one of whom shall be selected by the Chair of the House Committee on Finance, and the other of whom shall be selected by the Chair of the Senate Committee on Finance and Appropriations; (vii) two Certified Public Accountants (CPAs) who shall be residents of and employed within the Commonwealth, one of whom shall be selected by the Chair of the House Committee on Finance, and the other of whom shall be selected by the Chair of the Senate Committee on Finance and Appropriations; (viii) two active judges of a circuit court, one of whom shall be selected by the Chair of the House Committee on Finance, and the other of whom shall be selected by the Chair of the Senate Committee on Finance and Appropriations; (ix) the Secretary of Finance or his designee; (x) the Chair of the Taxation Section of the Virginia Bar Association; (xi) the Chair of the Taxation Section of the Virginia State Bar; and (xii) any other stakeholders deemed relevant. In evaluating the feasibility of establishing a tax tribunal in the Commonwealth, the work group shall:*

1. Review the American Bar Association's Model State Administrative Tax Tribunal Act (August 2006) and determine (i) whether the model suggested in such Act would meet the needs of the Commonwealth and its residents in effectively and efficiently resolving state tax disputes and (ii) which provisions of the Act could be implemented in the creation of an independent tax tribunal;

2. Evaluate the impacts of establishing an independent tax tribunal, including how the tribunal would fit in with and complement the Tax Adjudication and Resolution Division within the Department of Taxation;

3. Consider and estimate the costs to the Commonwealth for the establishment of and ongoing funding for the operation of a tax tribunal, including facility costs for the housing of the tribunal, the salaries for each tribunal judge elected or appointed to serve, and the salaries for any administrative or support staff;

4. Consider a process for appeals of decisions made by a tax tribunal judge, including whether to grant appellate jurisdiction to general district courts, circuit courts, the Court of Appeals of Virginia, or the Supreme Court of Virginia;

5. Determine the number of tribunal judges necessary to effectively and efficiently hear tax disputes, estimate the number of support staff required to effectuate the business of the tribunal; and provide suggestions for the appointment or election process of any tribunal judge, including the qualifications for any individual considered for appointment or election as a judge, the appointing authority or electing body, and the length of term to which a tribunal judge would be appointed or elected, and suggest any provisions for the retirement of a judge of the tribunal;

6. Evaluate the feasibility and implications of permitting Certified Public Accountants to represent taxpayers in disputes before the tax tribunal, considering best practices as implemented in other states with an independent tax tribunal; and

7. Evaluate independent tax tribunals operating in other states, compare those established in the executive branch of their state to tribunals operating as an independent judicial body or court of record, and determine best practices for the creation and organization of such a tribunal and for the adjudication of disputes

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59 *concerning the assessment of state taxes.*

60 *The work group shall conclude its meetings by November 1, 2027, and shall submit a summary of its*
61 *findings and any recommendations in a report to the House Committee on Finance, the House Committee on*
62 *Appropriations, the Senate Committee on Finance and Appropriations, and the Governor no later than*
63 *January 1, 2028.*