

2022 Tax Rebate Update

A Presentation to the House Appropriations Committee

Craig M. Burns, Tax Commissioner
September 13, 2022

- ▶ The 2022 Appropriation Act approved a one-time tax rebate for eligible taxpayers who file a return by November 1
 - ▶ Rebate for returns filed by July 1 must be issued by October 17
 - ▶ Rebate for returns filed after July 1 must be issued within 4 months of filing
- ▶ Amount is a maximum of \$250 for an individual and \$500 for a joint return
 - ▶ Limited to tax liability after any credits, deductions, or subtractions to which the taxpayer is entitled
- ▶ We will issue one-time rebates in the order we receive and fully process returns

- ▶ We expect to issue about 3.2 million one-time tax rebates
 - ▶ 1.3 million direct deposits (2021 returns that selected direct deposit)
 - ▶ The direct deposit label for these rebates is “**VATXREBATE**”
 - ▶ 1.9 million checks
 - ▶ A check stub message will explain the rebates
 - ▶ Department of Treasury is using its backup printing facility to expedite check printing and mailing
- ▶ Rebates that require a check include:
 - ▶ Tax returns with no banking information
 - ▶ Tax returns for taxpayers who owed additional tax
 - ▶ Direct deposits that were rejected due to closed bank accounts
 - ▶ Partial rebates due to a taxpayer debt setoff

- ▶ Statute requires that tax rebates be subject to the state's **debt setoff** program
 - ▶ Setoffs typically generate calls to Virginia Tax even though we instruct the taxpayer to call the agency that instituted the setoff
- ▶ Rebates that are partially offset will result in a check for the residual; the check stub will provide the reason for a reduced rebate and the setoff agency's contact information
- ▶ If entire rebate is subject to setoff, Virginia Tax will notify the taxpayer by letter with contact information for the setoff agency
- ▶ Affected taxpayers need to resolve any issues with the setoff agency

- ▶ Current timeline anticipates that our “Go Live” for all returns filed by September 5 will be Monday, September 19
 - ▶ We plan to issue ~250,000 rebates per day, Monday – Saturday
 - ▶ ~150,000 direct deposits
 - ▶ ~100,000 paper checks
 - ▶ We expect to issue about 2.9 million rebates through October 10
- ▶ From October 11 through the end of the calendar year, we will issue rebates weekly until we have completed the process for all eligible returns filed by November 1
 - ▶ We anticipate a surge around October 17, the Federal filing extension deadline

- ▶ On Monday, September 19, we will give taxpayers access to 2 new rebate eligibility tools – one online through our website, and one through our call center telephonic Interactive Voice Response (IVR) system
- ▶ For both tools, taxpayers will log in to access information using their social security number and zip code
- ▶ After authenticating, the taxpayer can learn:
 - ▶ Whether they're eligible for a rebate, and if so
 - ▶ What rebate amount they're eligible for, and
 - ▶ When they can expect to receive the funds

- ▶ Based on prior experience, we anticipate a high call volume to our call center
- ▶ For 2019's Tax Relief Refund:
 - ▶ ~900,000 taxpayers were ineligible
 - ▶ ~300,000 taxpayers were affected by a partial or full debt setoff
 - ▶ We received more than 60,000 calls
- ▶ Virginia Tax's call center is not staffed to service both rebate and "business-as-usual" calls. To mitigate this, we have:
 - ▶ Contracted with a third party to handle program calls
 - ▶ Developed the 2 self-service eligibility applications
 - ▶ Established dedicated space on our website that we will update as needed:
 - ▶ tax.virginia.gov/rebate

Dedicated webpage: tax.virginia.gov/rebate

The navigation bar features the Virginia Tax logo on the left. To its right are several menu items: Forms & Filing, Refunds, Payments & Penalties, Rulings & Decisions, Credits & Deductions, and Business Resources. On the far right is a 'Log In' button with a dropdown arrow.

Search our site (for forms, instructions, or anything else)

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What You Need to Know About the 2022 One-Time Tax Rebate

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The video player shows a thumbnail with the Virginia Tax logo and the text 'What You Need to Know About the 2022 One-Time Tax Rebate'. The main text on the thumbnail reads 'Am I eligible tax rebate?' with a red play button icon. At the bottom, it says 'Watch on YouTube'.

Lookup app:

The app interface shows the 'Rebate Lookup' header. Below it is a 'Check Your Eligibility' section. A text block explains that users need to enter their Social Security Number (SSN) or Individual Tax Identification Number (ITIN) and their zip code as it appears on their 2021 Virginia tax return. Below this is a form titled 'Enter Your Information' with fields for 'SSN or ITIN:' (with a 'Show' button) and 'Zip Code:' (with the value '22918'). There is a radio button for 'Do you have an international address?' with 'No' selected. A 'Check Eligibility' button is at the bottom.