Unified Regulatory Plan of the Department of Taxation for State Fiscal Year 2026

Prepared on June 30, 2025

Description of Agency

The Department of Taxation, acting through the Tax Commissioner, is vested with general supervision over the administration of the state tax laws pursuant to Subtitle I of Title 58.1 of the *Code of Virginia*. For purposes of enforcement of the tax laws, the Department may impose requirements relating directly or indirectly to the assessment and collection of taxes. The Department is authorized to issue regulations relating to the interpretation and enforcement of the laws of the Commonwealth governing taxes it administers. The Department operates under the supervision of the Secretary of Finance.

Title of Proposed Regulatory Action or Guidance Document Fast Track Action to Reduce Additional Regulatory Requirements in Accordance with Governor Youngkin's Executive Order 19 (June 30, 2022)		
Brief Overview Governor Youngkin's Executive Order 19 (June 30, 2022) requires executive branch agencies to reduce the number of regulatory requirements not mandated by federal or state statute by at least 25 percent. In Fiscal Year 2025, the Department completed a Fast Track regulatory action reducing its regulatory requirements by 23%. To fully meet its goal of reducing regulatory requirements by 25 percent the Department is preparing a Fast Track action to update its regulation section on Administrative Appeals, 23VAC10-20-165, to reduce its requirements by an additional 2 percent. In addition, the Department will use this action to update Chapter 112, its regulation on Declaration of Estimated Income Tax by Individuals, to reflect a statutory change.		
Regulatory Stage (check one box)	☐ NOIRA ☐ Proposed Rule ☐ Final Rule	☐ Emergency Rule ☒ Fast-Track Rule
Additional Description	☒ Expedited Rule ☐ Exempt Rule	☐ Guidance Document
Legal Authority	☐ Action required by federal statute ☐ Action required by state statute	☒ Discretionary action
Deregulatory Component	See Brief Overview	
Expected Date	December 31, 2025	

Title of Proposed Regulatory Action or Guidance Document Updated Firearm Safety Device Tax Credit Guidelines
Brief Overview During the 2025 Session, the General Assembly enacted House Bill 2595 (2025 Act of Assembly, Chapter 289) and Senate Bill 1389 (2025 Act of Assembly, Chapter 303), which amend the definition of an "eligible transaction" for the Firearm Safety Device Tax Credit to allow a qualifying firearm safety device to be purchased from a "commercial retailer" defined as a business that sells goods or services to customers in a retail setting

and is properly registered as a dealer pursuant to Va. Code § 58.1-613. Previously, only purchases from federally licensed retailers were permitted. Prior legislation required the Department to publish guidelines, which it has done. However, such guidelines will have to be updated to reflect the enhancements made by these Acts.	
Regulatory Stage (check one box)	☐ NOIRA ☐ Emergency Rule ☐ Proposed Rule ☐ Fast-Track Rule ☐ Final Rule
Additional Description	☐ Expedited Rule ☒ Guidance Document ☐ Exempt Rule
Legal Authority	☐ Action required by federal statute ☐ Discretionary action ☒ Action required by state statute
Deregulatory Component	Although this action will not reduce the number of guidance documents maintained by the Department, by providing guidance regarding the legislation, the action will remove a potential source of confusion to taxpayers and tax practitioners.
Expected Date	December 31, 2025