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HOUSE BILL NO. 1292

Offered January 24, 2000

A BILL to amend and reenact §§ 58.1-3504 and 58.1-3506, relating to the tangible personal property tax.

Patrons—Black; Senator: Mims

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That §§ 58.1-3504 and 58.1-3506 are amended and reenacted as follows:**

§ 58.1-3504. Classification of certain household goods and personal effects for taxation; governing body may exempt.

A. Notwithstanding any provision of § 58.1-3503, household goods and personal effects are hereby defined as separate items of taxation and classified as follows:

1. Bicycles.
2. Household and kitchen furniture, including gold and silver plates, plated ware, watches and clocks, sewing machines, refrigerators, automatic refrigerating machinery of any type, vacuum cleaners and all other household machinery, books, firearms and weapons of all kinds.
3. Pianos, organs, and all other musical instruments; phonographs, record players, and records to be used therewith; and radio and television instruments and equipment.
4. Oil paintings, pictures, statuary, curios, articles of virtu and works of art.
5. Diamonds, cameos or other precious stones and all precious metals used as ornaments or jewelry.
6. Sporting and photographic equipment.
7. Clothing and objects of apparel.
8. Antique motor vehicles as defined in § 46.2-100 which may not be used for general transportation purposes.

9. *Tangible personal property used in a trade or business which has a value of less than \$250.*

910. All other tangible personal property used by an individual or a family or household incident to maintaining an abode.

The classification above set forth shall apply only to such property owned and used by an individual or by a family or household incident to maintaining an abode.

The governing body of any county, city or town may, by ordinance duly adopted, exempt from taxation all of the above classes of household goods and personal effects.

B. Notwithstanding any provision set forth above, household appliances in residential rental property used by an individual or by a family or household incident to maintaining an abode shall be deemed to be fixtures and shall be assessed as part of the real property in which they are located.

For purposes of this subsection, "household appliances" shall mean all major appliances customarily used in a residential home and which are the property of the owner of the real estate, including, without limitation, refrigerators, stoves, ranges, microwave ovens, dishwashers, trash compactors, clothes dryers, garbage disposals and air conditioning units.

§ 58.1-3506. Other classifications of tangible personal property for taxation.

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. Boats or watercraft weighing five tons or more;
2. Aircraft having a maximum passenger seating capacity of no more than fifty which are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;
3. All other aircraft not included in subdivision A 2 and flight simulators;
4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;
5. Tangible personal property used in a research and development business;
6. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting equipment and ditch and other types of diggers;
7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to

60 achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment
61 shall include, without limitation, such equipment purchased by firms engaged in the business of
62 generating electricity or steam, or both;

63 8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in
64 § 36-85.3;

65 9. Computer hardware used by businesses primarily engaged in providing data processing services to
66 other nonrelated or nonaffiliated businesses;

67 10. Privately owned pleasure boats and watercraft, eighteen feet and over, used for recreational
68 purposes only;

69 11. Privately owned vans with a seating capacity for twelve or more persons used exclusively
70 pursuant to a ridesharing arrangement as defined in § 46.2-1400;

71 12. Motor vehicles specially equipped to provide transportation for physically handicapped
72 individuals;

73 13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department
74 or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is
75 obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One
76 motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department
77 member, or leased by each volunteer rescue squad member or volunteer fire department member if the
78 member is obligated by the terms of the lease to pay tangible personal property tax on the motor
79 vehicle, may be specially classified under this section, provided the volunteer rescue squad member or
80 volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the
81 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
82 volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department
83 who regularly responds to calls or regularly performs other duties for the rescue squad or fire
84 department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer
85 fire department member is identified. The certification shall be submitted by January 31 of each year to
86 the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other
87 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
88 the part of the member, to accept a certification after the January 31 deadline. In any county which
89 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
90 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
91 prior January date is transferred during the tax year;

92 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
93 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
94 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
95 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
96 squad member may be specially classified under this section. The auxiliary member shall furnish the
97 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
98 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
99 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
100 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
101 member and an auxiliary member are members of the same household, that household shall be allowed
102 only one special classification under this subdivision or subdivision 13 of this section. The certification
103 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
104 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,
105 and for good cause shown and without fault on the part of the member, to accept a certification after the
106 January 31 deadline;

107 15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound
108 persons or provide transportation to senior or handicapped citizens in the community to carry out the
109 purposes of the nonprofit organization;

110 16. Privately owned camping trailers and motor homes as defined in § 46.2-100 which are used for
111 recreational purposes only;

112 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,
113 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as
114 certified by the Department of Veterans' Affairs. In order to qualify, the veteran shall provide a written
115 statement to the commissioner of revenue or other assessing officer from the Department of Veterans'
116 Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to
117 meet the requirements of this section, and that his disability is service-connected. For purposes of this
118 section, a person is blind if he meets the provisions of § 46.2-739;

119 18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police
120 officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons
121 who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms

of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In order to qualify for such classification, any auxiliary police officer who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body which has appointed such auxiliary police officer or from the official who has appointed such auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for which the classification is sought is the vehicle which is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such business personal property is put into service within the District on or after July 1, 1999;

20. Motor vehicles which use clean special fuels as defined in § 58.1-2101;

21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals which are found in the wild, or in a wild state, and are native to a foreign country;

22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which is used by that organization for the purpose of maintaining or using the open or common space within a residential development;

23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;

24. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 18 of § 58.1-3503 *and which has a value of \$250 or greater*;

25. Programmable computer equipment and peripherals employed in a trade or business;

26. Tangible personal property of Habitat for Humanity and local affiliates or subsidiaries thereof;

27. Privately owned pleasure boats and watercraft, motorized and under eighteen feet, used for recreational purposes only; and

28. Privately owned pleasure boats and watercraft, nonmotorized and under eighteen feet, used for recreational purposes only.

B. The governing body of any county, city or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through 22, and 24 through 28 of subsection A, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.