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SENATE JOINT RESOLUTION NO. 127

Offered January 20, 2000

Directing the Department of Taxation to study the degree to which the tax relief granted under the Personal Property Tax Relief Act of 1998, and funded by the Commonwealth, is accruing to or being received by businesses ineligible for such tax relief under the provisions of the Act.

Patron—Watkins

Referred to Committee on Rules

WHEREAS, the Personal Property Tax Relief Act of 1998 (§ 58.1-3523 et seq. of the Code of Virginia) was passed during the 1998 Session of the General Assembly; and

WHEREAS, the Act grants personal property tax relief to private citizens of Virginia owning or leasing certain enumerated motor vehicles and using such vehicles for nonbusiness purposes; and

WHEREAS, the amount of such personal property tax relief appears as a credit or a reduction of the tax due on the personal property tax bills of Virginia's citizens; and

WHEREAS, the full amount of such personal property tax relief is being funded by the Commonwealth of Virginia through reimbursement payments to local governments to reimburse such governments for any decreases in revenue attributable to the Act; and

WHEREAS, the personal property tax relief for tax year 2000, as provided in the Act, is, in general, 47.5 percent of the personal property tax assessed on such motor vehicles; and

WHEREAS, there is credible evidence that personal property tax relief under the Act, which is funded or paid for by the Commonwealth, is being granted to or received by businesses; and

WHEREAS, such businesses are ineligible to receive tax relief under the provisions of the Act; and

WHEREAS, the cost of personal property tax relief to the Commonwealth will increase if such businesses continue to receive personal property tax relief at the expense of the Commonwealth; and

WHEREAS, it is in the best interests of the Commonwealth to ensure that its appropriations and expenses are limited to that required by law and no more; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Department of Taxation be directed to study the degree to which the tax relief granted under the Personal Property Tax Relief Act of 1998, and funded by the Commonwealth, is accruing to or being received by businesses ineligible for such tax relief under the provisions of the Act.

In conducting the study, the Department of Taxation shall work with local government representatives to determine the degree to which, and the amount by which, the tax relief under the Act is accruing to or being received by businesses, and the additional cost to the Commonwealth. The Department of Taxation, through collaboration with local governments, shall develop recommendations to correct this concern.

All agencies of the Commonwealth shall provide assistance to the Department of Taxation, upon request.

The Department of Taxation shall complete its work in time to submit its findings and recommendations to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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