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SENATE JOINT RESOLUTION NO. 127
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rules
on February 14, 2000)

(Patron Prior to Substitute—Senator Watkins)

Directing the Auditor of Public Accounts to examine the extent to which tax relief granted under the Personal Property Tax Relief Act of 1998 is accruing to or being received by businesses ineligible for such tax relief under the provisions of the Act.

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, the Auditor of Public Accounts is required by § 2.1-155 to incorporate into his audit procedures and processes a review process to ensure that the Commonwealth's payments for qualifying vehicles, as defined in § 58.1-3523, are consistent with the provisions of §§ 58.1-3525 and 58.1-3526; 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 Auditor of Public Accounts be directed to examine the extent to which tax relief granted under the Personal Property Tax Relief Act of 1998 is accruing to or being received by businesses ineligible for such tax relief under the provisions of the Act. The Commissioner shall recommend a course of action to ensure that the Commonwealth's payments for qualifying vehicles, as defined in § 58.1-3523, are consistent with the provisions of the Act.

The Department of Motor Vehicles, the Department of Taxation, and localities shall provide technical assistance to the Auditor of Public Accounts in the conduct of this study. All agencies of the Commonwealth shall provide assistance to the Auditor of Public Accounts, upon request.

The Auditor of Public Accounts shall complete his work in time to submit his findings and recommendations by December 1, 2000, 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.