

2001 SESSION

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HOUSE BILL NO. 2756

Offered January 19, 2001

A BILL to amend and reenact § 58.1-3524 of the Code of Virginia, relating to reimbursement of tangible personal property tax.

Patrons—Parrish and Thomas

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3524 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3524. Reimbursement of tangible personal property taxes; deduction on tangible personal property tax bills.

A. For tax year 1998, the Commonwealth shall directly reimburse taxpayers, for tangible personal property tax levies paid on any qualifying vehicle, a percentage of the reimbursable amount determined pursuant to subdivision B. 1., as provided in § 58.1-3525. For tax year 1999 and tax years thereafter, the Commonwealth shall pay to treasurers a percentage of the reimbursable amount determined pursuant to subdivisions B. 2. through B. 5. on any qualifying vehicle, as provided in § 58.1-3526.

B. Subject to the conditions of subsections C and D, the amount of the reimbursement to taxpayers for tax year 1998 and the amount of the payments to treasurers for tax years after 1998 shall be 100 percent for qualifying vehicles with a value of one thousand dollars or less and for each qualifying vehicle with a value of more than one thousand dollars shall be as follows:

Percentage Level

1. For any tax year beginning in	12.5 percent of the reimbursable
calendar year 1998	amount for each qualifying vehicle
2. For any tax year beginning in	27.5 percent of the reimbursable
calendar year 1999	amount for each qualifying vehicle
3. For any tax year beginning in	47.5 percent of the reimbursable
calendar year 2000	amount for each qualifying vehicle
4. For any tax year beginning in	70 percent of the reimbursable
calendar year 2001	amount for each qualifying vehicle
5. For any tax year beginning in	100 percent of the reimbursable
calendar year 2002 and tax	amount for each qualifying vehicle
years thereafter	

C. Notwithstanding the schedule set forth in subsection B, the percentage level for each qualifying vehicle to be paid by the Commonwealth for a tax year shall not be increased at the beginning of any calendar year above the percentage level paid by the Commonwealth in the preceding tax year if:

1. Actual general fund revenues for a fiscal year, including transfers, are less than the projected general fund revenues, as reported in the general appropriation act in effect at that time, by one-half of one percent or more of the amount of actual general fund revenues for such fiscal year;

2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393 indicates that general fund revenues, excluding transfers, for any fiscal year will be less than five percent greater than general fund revenues for the immediately preceding fiscal year; or

3. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393 indicates that total general fund revenues available for appropriation, including transfers, for either of the

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57 fiscal years covered by the general appropriation act in effect at that time will be less than the general
58 fund appropriations for such fiscal year or years.

59 D. If the percentage level remains the same for consecutive tax years, the percentage level to be used
60 in the following tax year shall remain the same unless none of the conditions described in subsection C
61 have occurred, in which event the amount to be paid by the Commonwealth for the immediately
62 following tax year shall be equal to the next highest percentage amount listed in subsection B.

63 E. An amount equal to the percentage of the reimbursable amount as determined under subdivisions
64 B 2 through B 5 shall appear as a deduction on the tangible personal property tax bill for qualifying
65 vehicles, as provided by subsection E of § 58.1-3912.

66 1. In the event the General Assembly changes the percentage of the reimbursable amount as
67 described under subsection B for the current tax year and a locality has already printed its tangible
68 personal property tax bills for qualifying vehicles for the year that the percentage is changed, the
69 following procedures shall apply:

70 a. If the percentage of the reimbursable amount is decreased for the current tax year and the taxpayer
71 has paid the assessment, the locality may (i) levy an additional amount for the amount of the difference
72 between the percentage of the reimbursable amount for the tax year reflected on the original assessment
73 and the percentage of the reimbursable amount for the tax year as modified by the General Assembly in
74 the current year or (ii) carry forward the additional levy and include it on the subsequent tax bill,
75 provided such levy is not subject to penalty and interest.

76 b. If the percentage of the reimbursable amount is increased for the current tax year and the taxpayer
77 has paid the assessment, the locality shall issue a refund to the taxpayer for the amount of the difference
78 between the percentage of the reimbursable amount for the tax year reflected on the original assessment
79 and the percentage of the reimbursable amount for the tax year as modified by the General Assembly in
80 the current tax year. Such refunds shall be issued by the treasurer no later than thirty days after receipt
81 of the payment from the Commonwealth pursuant to § 58.1-3526.

82 2. In the event the General Assembly changes the percentage of the reimbursable amount as
83 described under subsection B before a locality has printed its tangible personal property tax bills for
84 qualifying vehicles, the following procedures shall apply:

85 a. If the percentage of the reimbursable amount is decreased for the current tax year, the locality may
86 adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the General
87 Assembly to the percentage of the reimbursable amount.

88 b. If the percentage of the reimbursable amount is increased for the current tax year, the locality
89 shall adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the
90 General Assembly to the percentage of the reimbursable amount.