

2002 SESSION

INTRODUCED

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SENATE BILL NO. 105

Offered January 9, 2002

Prefiled January 7, 2002

A BILL to amend and reenact §§ 58.1-3524, 58.1-3526, 58.1-3528 and 58.1-3531 of the Code of Virginia, relating to the percentage of personal property tax relief on passenger cars, motorcycles and pickup or panel trucks used for nonbusiness purposes.

Patron—Marye

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3524, 58.1-3526, 58.1-3528 and 58.1-3531 of the Code of Virginia are 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 57 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	

5. For any tax year beginning in	55 percent of the reimbursable
calendar year 2002	amount for each qualifying vehicle

6. For any tax year beginning in	70 percent of the reimbursable
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56
57 *calendar year 2003* *amount for each qualifying vehicle*
58
59 *7. For any tax year beginning in* *100 percent of the reimbursable*
60
61 *calendar year 2004 and tax* *amount for each qualifying vehicle*
62
63 *years thereafter*
64

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

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

71 2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.2-1503
72 indicates that general fund revenues, excluding transfers, for any fiscal year will be less than five
73 percent greater than general fund revenues for the immediately preceding fiscal year; or

74 3. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393
75 indicates that total general fund revenues available for appropriation, including transfers, for either of the
76 fiscal years covered by the general appropriation act in effect at that time will be less than the general
77 fund appropriations for such fiscal year or years.

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

82 E. An amount equal to the percentage of the reimbursable amount as determined under subdivisions
83 B 2 through B 57 shall appear as a deduction on the tangible personal property tax bill for qualifying
84 vehicles, as provided by subsection E of § 58.1-3912.

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

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

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

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

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

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

110 § 58.1-3526. Payment to treasurers for tax year 1999 and thereafter.

111 A. For tax year 1999 and tax years thereafter, the Commonwealth shall pay to treasurers the amount
112 specified in subdivisions B 2 through B 57 of § 58.1-3524 for each qualifying vehicle, if the conditions
113 of this section are satisfied.

114 B. As provided by subsection E of § 58.1-3912, the treasurer shall include such amount as a
115 deduction on the face of tangible personal property tax bills for qualifying vehicles and shall clearly
116 designate such deduction as an amount to be paid by the Commonwealth. In addition to tangible

personal property taxes levied on property other than qualifying vehicles, the taxpayer shall pay to the treasurer any payment due for the difference between tangible personal property taxes levied on a qualifying vehicle and such deduction. On or before the date the certified personal property tax book is required by § 58.1-3118 to be provided to the treasurer, the commissioner of the revenue shall identify each qualifying vehicle and its value to the treasurer of the locality.

C. Except as provided by subsection B of § 58.1-3528, upon full payment of the tangible personal property tax levied on a qualifying vehicle, less the amount of the deduction, as described in subsection B of this section, the treasurer shall make a request to the Commonwealth for payment of the amount equal to the amount specified in subdivisions B 2 through B 57 of § 58.1-3524 for the qualifying vehicle. Such request shall include a summary of the information appearing on the related tangible personal property tax bill. The summary information to be included in the request and the form of such request shall be prescribed by the Comptroller. Upon receipt of such information, the Comptroller shall issue the proper warrant for payment by the State Treasurer. If the Comptroller determines that a treasurer is unable to provide the summary information, he shall issue a warrant for payment to such treasurer in an amount equal to the estimate made by the Department under § 58.1-3529. Provided that the request for payment is received by the deadlines established and in the format prescribed by the Comptroller, he shall issue the warrant for payment no later than two business days after the receipt of the request from the treasurer.

D. 1. If a taxpayer is required to make a payment for the difference between the tangible personal property tax levied on a qualifying vehicle and the deduction as described in subsection B, the amount as determined under subdivisions B 2 through B 57 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at such times as are consistent with the treasurer's receipt of tangible personal property tax payments on qualifying vehicles as of January 1, 1998.

2. Except as provided in subdivision D 3, if a taxpayer is not required to return to the treasurer any payment of tangible personal property tax for a qualifying vehicle, the amount as determined under subdivisions B 2 through B 57 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer over a four-week period. There shall be one equal payment in each week. The first payment shall be made four weeks prior to the county, city, or town's due date for tangible personal property taxes on qualifying vehicles as of January 1, 1998. However, the Comptroller shall not issue a warrant for payment unless he has received the certification described in § 58.1-3916.01.

3. If (i) a taxpayer is not required to return to the treasurer any payment of tangible personal property tax for a qualifying vehicle and (ii) the tangible personal property tax levy on such vehicle has been made as authorized under § 58.1-3516, the amount as determined under subdivisions B 2 through B 57 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at such times as are consistent with the treasurer's receipt of tangible personal property tax payments on qualifying vehicles as of January 1, 1998.

E. In addition to the summary information described in subsection C, the treasurer shall provide any additional information related to qualifying vehicles to the Department. Such additional information shall be prescribed in the guidelines promulgated under § 58.1-3532.

§ 58.1-3528. Interest; Commonwealth to make payments when taxes paid in full.

A. Payments to taxpayers and treasurers under this chapter shall not include interest.

B. The Commonwealth shall not make the reimbursement to a taxpayer, as provided under § 58.1-3525, unless the tangible personal property taxes for the related qualifying vehicle have been paid in full.

C. The Commonwealth shall not make the reimbursement to a treasurer, as provided under subsection C of § 58.1-3526, unless the tangible personal property taxes for the related qualifying vehicle, if in excess of five dollars, have been paid in full.

D. Notwithstanding the provisions of subsections B and C of this section, if a county, city, or town has entered into an agreement with a taxpayer under which such taxpayer is allowed to satisfy the tangible personal property tax liability on a qualifying vehicle in installment payments, due to financial hardship, the Commonwealth shall pay the respective amount specified in subdivisions B 2 through B 57 of § 58.1-3524 for such vehicle to the treasurer if the taxpayer has paid at least fifty percent of such tangible personal property tax liability.

§ 58.1-3531. Full payment of tangible personal property tax on qualifying vehicles not made.

Beginning in tax year 1999, notwithstanding any other provision of law, general and special, including the provisions of the charter of any county, city, or town:

1. If a taxpayer fails to make the payment described in subsection B of § 58.1-3526 by its due date or fails to comply with the filing requirements for qualifying vehicles under §§ 58.1-3518 and 58.1-3518.1, no interest may be imposed on any amount to be paid by the Commonwealth as determined under subdivisions B 2 through B 57 of § 58.1-3524. In calculating penalties to be imposed

178 on the taxpayer for failure to make the payment described in subsection B of § 58.1-3526 by its due
179 date or for failure of the taxpayer to comply with the filing requirements for qualifying vehicles under
180 §§ 58.1-3518 and 58.1-3518.1, the treasurer may take into consideration the full amount of the tangible
181 personal property tax levied including any amount to be paid by the Commonwealth as determined
182 under subdivisions B 2 through B 57 of § 58.1-3524 and any other relevant information.

183 2. If a taxpayer (i) fails to comply with the filing requirements for a qualifying vehicle under
184 §§ 58.1-3518 and 58.1-3518.1 and (ii) is not required to return to the treasurer any payment of tangible
185 personal property tax for such vehicle, no new or replacement local motor vehicle license for such
186 vehicle, as described in Article 11 (§ 46.2-750 et seq.) of Chapter 6 of Title 46.2 shall be issued until
187 the taxpayer complies with such filing requirements.

188 **2. That an emergency exists and this act is in force from its passage.**