DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement

1. Patron: Parrish

2. Bill Number: HB 181

House of Origin:
_____ **Introduced**
_____ **Substitute**
_____ **Engrossed**

3. Committee: Passed House and Senate

4. Title: Tangible Personal Property Tax; Horse Trailers

Second House:
_____ **In Committee**
_____ **Substitute**
_X_ **Enrolled**

5. Summary/Purpose:

This bill would include privately owned trailers that are designed and used for the transportation of horses in a separate class of tangible personal property for local property taxation purposes. As a result of this reclassification, localities would be authorized to impose a tangible personal property tax on privately owned trailers that are designed and used for the transportation of horses at a rate of tax and rate of assessment which does not exceed that applicable to the general class of tangible personal property in the locality.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not Available (See Line 8).

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. As this bill would allow localities to impose a lower rate of tax on privately owned trailers that are designed and used for the transportation of horses than is imposed on property in the general class of tangible personal property, this bill may result in reduced personal property tax bills for taxpayers. Localities would experience a corresponding reduction in tax revenues.

9. Specific agency or political subdivisions affected:

All Localities

10. Technical amendment necessary: No.

11. Other comments:

Privately owned trailers that are designed and used for the transportation of horses are currently classified in the general class of tangible personal property and localities are authorized to impose a tangible personal property tax on them at the same rate of tax and rate of assessment as imposed on property in the general class of tangible personal property.

This bill would reclassify privately owned horse trailers to be in a separate class of tangible personal property, along with privately owned camping trailers and motor homes used for recreational purposes only.

As a result of this reclassification, localities would be authorized to impose a tangible personal property tax on privately owned horse trailers at a rate of tax and rate of assessment which does not exceed that applicable to the general class of tangible personal property in the locality.

A trailer is defined in Code of Virginia § 46.2-100 as a vehicle without motive power designed for carrying property or passengers wholly on its own structure and for being drawn by a motor vehicle.

c: Secretary of Finance

Date: 2/14/02/JEM

Document: S:\2002leg\WorkInProcess\OTPwork\House Bills\HB0181FER161.doc