

**DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement**

1. Patron Watkins

3. Committee Senate Finance

4. Title Personal Property Tax; Situs for Assessment

2. Bill Number SB 66

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would change the situs for local tangible personal property taxation of motor vehicles and boats in the event that it cannot be determined where the property is normally garaged, docked or parked. The situs for motor vehicles or boats would be the locality in which they are registered.

Under current law, the situs for local tangible personal property taxation of motor vehicles, boats, travel trailers, and airplanes is the locality where the property is normally garaged, stored or parked. Current law provides that in situations where it cannot be determined where the property is normally garaged, stored or parked, situs shall be the domicile of the owner of such personal property.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Unavailable (See Line 8).

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. As this bill changes the situs rules for taxing motor vehicles and boats in the event that it cannot be determined where the property is normally garaged, docked or parked, it may result in the shifting of the local personal property tax revenues associated with the motor vehicles and boats between localities in some circumstances.

9. Specific agency or political subdivisions affected:

All counties, cities and towns.

10. Technical amendment necessary: No.

11. Other comments:

Under current law, the situs for local tangible personal property taxation of motor vehicles, boats, travel trailers, and airplanes is the locality where the property is normally garaged, stored or parked.

Current law provides that in situations where it cannot be determined where the property is normally garaged, stored or parked, situs shall be the domicile of the owner of such personal property. The Code of Virginia does not define the term "domicile" for local property tax purposes. For state individual income tax purposes, "domicile" means the permanent place of residence of a taxpayer and the place to which he intends to return even though he may actually reside elsewhere.

This bill would change the situs for local tangible personal property taxation of motor vehicles and boats only in the event that it cannot be determined where the property is normally garaged, docked or parked. The situs for motor vehicles or boats would be the locality in which they are registered.

Motor vehicles are registered with the Department of Motor Vehicles using the home or business address of the owner. Boats are registered with the Department of Game and Inland Fisheries by applying for a watercraft titling certificate. The application must contain the owner's residence and mailing address.

c: Secretary of Finance

Date: 1/11/02/JEM

Document: S:\2002leg\WorkInProgress\OTPwork\SB0066F161.doc