

Department of Planning and Budget

2003 Fiscal Impact Statement

1. Bill Number HB2537-H1

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Louderback

3. Committee Senate Finance

4. Title Motor vehicle sales and use tax; casual sales.

5. Summary/Purpose: The legislation propose to amend §58.1 -2405 of the Code of Virginia to require, in the case of a sale of a motor vehicle, which is not a new motor vehicle but is no more than 5 years old, between individuals who are not required to be licensed as dealers or salespersons, the use of a recognized pricing guide to determine the sale price of an automobile. If the model and year of the individual automobile are not listed in the recognized pricing guide, the sale prices shall be decided on the basis of percentage of original cost as determined by the Commissioner.

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6. Fiscal Impact: Preliminary. See item #8.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	\$2.5 - \$3.5 million		NGF
2004-05	\$2.5 - \$3.5 million		NGF

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal impact of this legislation is uncertain. The Department of Motor Vehicles (DMV) estimates that the bill will generally increase the reported values of vehicles sold between private parties and thus significantly increase revenues. The bill as written will require only minimum system changes to modify the manner in which Motor Vehicle Sales and Use Tax (MVSUT) is calculated, with minimal cost to the agency. It should be noted that any additional revenues would be distributed to the Department of Transportation (VDOT) for use as highway maintenance and operating funds and transportation trust funds.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, Department of Transportation.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/18/03 MEM

Document: G:\Fis\03\DMV\Hb2537h1.Doc Michael McMahon

cc: Secretary of Transportation