

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-3505 and 58.1-3506 of the Code of Virginia, relating to*
 3 *classifications of farm animals, farm products and equipment, and other tangible personal property*
 4 *for taxation.*

5 [H 1030]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That §§ 58.1-3505 and 58.1-3506 of the Code of Virginia are amended and reenacted as follows:**

9 § 58.1-3505. Classification of farm animals, certain grains, agricultural products, farm machinery,
 10 farm implements and equipment; governing body may exempt.

11 A. Farm animals, grains and other feeds used for the nurture of farm animals, agricultural products,
 12 farm machinery and farm implements are hereby defined as separate items of taxation and classified as
 13 follows:

14 1. Horses, mules and other kindred animals.

15 2. Cattle.

16 3. Sheep and goats.

17 4. Hogs.

18 5. Poultry.

19 6. Grains and other feeds used for the nurture of farm animals.

20 7. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural
 21 products in the hands of a producer.

22 8. Farm machinery other than the farm machinery described in subdivision 10, and farm implements,
 23 which shall include equipment and machinery used by farm wineries as defined in § 4.1-100 in the
 24 production of wine.

25 9. Equipment used by farmers or farm cooperatives qualifying under § 521 of the Internal Revenue
 26 Code to manufacture industrial ethanol, provided that the materials from which the ethanol is derived
 27 consist primarily of farm products.

28 10. Farm machinery designed solely for the planting, production or harvesting of a single product or
 29 commodity.

30 11. *Privately owned trailers as defined in § 46.2-100 that are primarily used by farmers in their*
 31 *farming operations for the transportation of farm animals or other farm products as enumerated in*
 32 *subdivisions A 1 through A 7 of this section.*

33 B. The governing body of any county, city or town may, by ordinance duly adopted, exempt in
 34 whole or in part from taxation, or provide a different rate of tax upon, all or any of the above classes of
 35 farm animals, grains and feeds used for the nurture of farm animals, farm machinery, implements or
 36 equipment set forth in subsection A.

37 C. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural
 38 products shall be exempt from taxation while in the hands of a producer.

39 § 58.1-3506. Other classifications of tangible personal property for taxation.

40 A. The items of property set forth below are each declared to be a separate class of property and
 41 shall constitute a classification for local taxation separate from other classifications of tangible personal
 42 property provided in this chapter:

43 1. Boats or watercraft weighing five tons or more;

44 2. Aircraft having a maximum passenger seating capacity of no more than 50 which are owned and
 45 operated by scheduled air carriers operating under certificates of public convenience and necessity issued
 46 by the State Corporation Commission or the Civil Aeronautics Board;

47 3. All other aircraft not included in subdivision A 2 and flight simulators;

48 4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation
 49 purposes as provided in subsection C of § 46.2-730;

50 5. Tangible personal property used in a research and development business;

51 6. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end
 52 loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity
 53 equipment and ditch and other types of diggers;

54 7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy
 55 source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any
 56 other alternative energy source for use in manufacturing and any cogeneration equipment purchased to

57 achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment
58 shall include, without limitation, such equipment purchased by firms engaged in the business of
59 generating electricity or steam, or both;

60 8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in
61 § 36-85.3;

62 9. Computer hardware used by businesses primarily engaged in providing data processing services to
63 other nonrelated or nonaffiliated businesses;

64 10. Privately owned pleasure boats and watercraft, 18 feet and over, used for recreational purposes
65 only;

66 11. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons,
67 including the driver, used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

68 12. Motor vehicles specially equipped to provide transportation for physically handicapped
69 individuals;

70 13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department
71 or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is
72 obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One
73 motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department
74 member, or leased by each volunteer rescue squad member or volunteer fire department member if the
75 member is obligated by the terms of the lease to pay tangible personal property tax on the motor
76 vehicle, may be specially classified under this section, provided the volunteer rescue squad member or
77 volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the
78 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
79 volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department
80 who regularly responds to calls or regularly performs other duties for the rescue squad or fire
81 department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer
82 fire department member is identified. The certification shall be submitted by January 31 of each year to
83 the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other
84 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
85 the part of the member, to accept a certification after the January 31 deadline. In any county which
86 prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
87 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
88 prior January date is transferred during the tax year;

89 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
90 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
91 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
92 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
93 squad member may be specially classified under this section. The auxiliary member shall furnish the
94 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
95 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
96 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
97 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
98 member and an auxiliary member are members of the same household, that household shall be allowed
99 only one special classification under this subdivision or subdivision 13 of this section. The certification
100 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
101 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,
102 and for good cause shown and without fault on the part of the member, to accept a certification after the
103 January 31 deadline;

104 15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound
105 persons or provide transportation to senior or handicapped citizens in the community to carry out the
106 purposes of the nonprofit organization;

107 16. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as
108 defined in § 46.2-1900, which are used for recreational purposes only, and privately owned trailers as
109 defined in § 46.2-100 that are designed and used for the transportation of horses *except those trailers*
110 *described in subdivision A 11 of § 58.1-3505*;

111 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,
112 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as
113 certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written
114 statement to the commissioner of revenue or other assessing officer from the Department of Veterans
115 Services that the veteran has been so designated or classified by the Department of Veterans Services as
116 to meet the requirements of this section, and that his disability is service-connected. For purposes of this
117 section, a person is blind if he meets the provisions of § 46.2-739;

18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In order to qualify for such classification, any auxiliary police officer who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body which has appointed such auxiliary police officer or from the official who has appointed such auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for which the classification is sought is the vehicle which is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such business personal property is put into service within the District on or after July 1, 1999;

20. Motor vehicles which use clean special fuels as defined in § 46.2-749.3;

21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals which are found in the wild, or in a wild state, and are native to a foreign country;

22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which is used by that organization for the purpose of maintaining or using the open or common space within a residential development;

23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;

24. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503;

25. Programmable computer equipment and peripherals employed in a trade or business;

26. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational purposes only;

27. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational purposes only;

28. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;

29. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;

30. Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall

179 be authorized, in his discretion, and for good cause shown and without fault on the part of the member,
180 to accept a certification after the January 31 deadline;

181 31. Forest harvesting and silvicultural activity equipment; and

182 32. Equipment used primarily for research, development, production, or provision of biotechnology
183 for the purpose of developing or providing products or processes for specific commercial or public
184 purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related
185 purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as
186 defined in § 32.1-162.21 or for products or purposes related to human embryo stem cells. For purposes
187 of this section, biotechnology equipment means equipment directly used in activities associated with the
188 science of living things.

189 B. The governing body of any county, city or town may levy a tax on the property enumerated in
190 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax
191 and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through
192 22, and 24 through 32 of subsection A, not exceed that applicable to the general class of tangible
193 personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable
194 to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.