

**DEPARTMENT OF TAXATION
2004 Fiscal Impact Statement**

1. Patron Robert D. Orrock, Sr.

3. Committee Senate Finance

4. Title Local Tangible Personal Property Tax;
Special Classification for Certain Motor
Vehicles.

2. Bill Number HB 143

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would increase from one to two the number of motor vehicles in households containing both a member and an auxiliary member of a volunteer rescue squad or a volunteer fire department that are eligible for inclusion in the special classifications of tangible personal property for motor vehicles owned or leased by members and auxiliary members of volunteer rescue squads and volunteer fire departments that localities may tax at lower rates than 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 a negative revenue impact on those localities that choose to allow a special classification for a second vehicle because more property would be subject to tax at the lower rate associated with the special classification. To the extent that additional vehicles are taxed at a lower rate of tax, this bill would have a minimal impact on the cost of the car tax relief program to the Commonwealth.

9. Specific agency or political subdivisions affected:

All counties, cities and towns.

10. Technical amendment necessary: No.

11. Other comments:

Under current law, localities are authorized to enact a special classification of tangible personal property for one vehicle owned or leased by certain members of volunteer rescue squads and volunteer fire departments and another special classification for one vehicle owned or leased by certain members of volunteer rescue squad auxiliaries and volunteer fire department auxiliaries. Localities may tax property in these special classifications at lower rates than applicable to the general class of tangible personal property in the locality.

This bill would increase from one to two the number of motor vehicles that are eligible for inclusion in these special classifications in households containing both a member and an auxiliary member of a volunteer rescue squad or a volunteer fire department.

Senate Bill 349 is identical to this bill.

cc : Secretary of Finance

Date: 2/2/2004 JEM