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HOUSE BILL NO. 1654**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 2, 2005)

(Patrons Prior to Substitute—Delegates Lingamfelter, Bell [HB 2257], Frederick [HB 1536])

A BILL to amend and reenact §§ 30-133 and 58.1-3506, as they are currently effective and as they shall become effective, §§ 58.1-3523 and 58.1-3524, as they are currently effective, of the Code of Virginia; to repeal §§ 58.1-3506.1, 58.1-3523, 58.1-3524, and 58.1-3912, as they shall become effective, of the Code of Virginia; and to repeal the second, third, fourth, fifth, sixth, and seventh enactments of Chapter 1 of the 2004 Acts of Assembly, Special Session I, relating to property taxes on vehicles qualifying for tangible personal property tax relief and payments to localities for providing tangible personal property tax relief.

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-133, and 58.1-3506, as they are currently effective and as they shall become effective, and §§ 58.1-3523 and 58.1-3524, as they are currently effective, of the Code of Virginia are amended and reenacted as follows:

§ 30-133. Duties and powers generally.

A. The Auditor of Public Accounts shall audit all the accounts of every state department, officer, board, commission, institution or other agency handling any state funds. In the performance of such duties and the exercise of such powers he may employ the services of certified public accountants, provided the cost thereof shall not exceed such sums as may be available out of the appropriation provided by law for the conduct of his office.

B. The Auditor of Public Accounts shall review the information required in § 2.2-1501 to determine that state agencies are providing and reporting appropriate information on financial and performance measures, and the Auditor shall review the accuracy of the management systems used to accumulate and report the results. The Auditor shall report annually to the General Assembly the results of such audits and make recommendations, if indicated, for new or revised accountability or performance measures to be implemented for the agencies audited.

C. The Auditor of Public Accounts shall prepare, by November 1, a summary of the results of all of the audits and other oversight responsibilities performed for the most recently ended fiscal year. The Auditor of Public Accounts shall present this summary to the Senate Finance, House Appropriations and House Finance Committees on the day the Governor presents to the General Assembly the Executive Budget in accordance with §§ 2.2-1508 and 2.2-1509 or at the direction of the respective Chairman of the Senate Finance, House Appropriations or House Finance Committees at one of their committee meetings prior to the meeting above.

D. ~~(Effective until January 1, 2006)~~ As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate into his audit procedures and processes a review process to ensure that the Commonwealth's payments for qualifying vehicles, as defined in § 58.1-3523, are consistent with the provisions of §§ 58.1-3525 and 58.1-3526. The Auditor of Public Accounts shall report to the Governor and the Chairman of the Senate Finance Committee annually any material failure by a locality or the Commonwealth to comply with the provisions of Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1.

D. ~~(Effective January 1, 2006)~~ As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate into his audit procedures and processes a review process to ensure that the Commonwealth's payments to counties, cities, and towns under Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1 are consistent with the provisions of § 58.1-3524. The Auditor of Public Accounts shall report to the Governor and the Chairman of the Senate Finance Committee annually any material failure by a locality or the Commonwealth to comply with the provisions of Chapter 35.1 of Title 58.1.

E. The Auditor of Public Accounts when called upon by the Governor shall examine the accounts of any institution maintained in whole or in part by the Commonwealth and, upon the direction of the Comptroller, shall examine the accounts of any officer required to settle his accounts with him; and upon the direction of any other state officer at the seat of government he shall examine the accounts of any person required to settle his accounts with such officer.

F. Upon the written request of any member of the General Assembly, the Auditor of Public Accounts shall furnish the requested information and provide technical assistance upon any matter requested by such member.

G. In compliance with the provisions of the federal Single Audit Act Amendments of 1996, Public Law 104-156, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public Accounts to audit biennially the accounts pertaining to federal funds received by state departments, officers, boards, commissions, institutions or other agencies.

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60 § 58.1-3506. Other classifications of tangible personal property for taxation.

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

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

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

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

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

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

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

75 7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy
76 source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any
77 other alternative energy source for use in manufacturing and any cogeneration equipment purchased to
78 achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment
79 shall include, without limitation, such equipment purchased by firms engaged in the business of
80 generating electricity or steam, or both;

81 8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in
82 § 36-85.3;

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

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

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

89 12. Motor vehicles specially equipped to provide transportation for physically handicapped
90 individuals;

91 13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department
92 or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is
93 obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One
94 motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department
95 member, or leased by each volunteer rescue squad member or volunteer fire department member if the
96 member is obligated by the terms of the lease to pay tangible personal property tax on the motor
97 vehicle, may be specially classified under this section, provided the volunteer rescue squad member or
98 volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the
99 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
100 volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department
101 who regularly responds to calls or regularly performs other duties for the rescue squad or fire
102 department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer
103 fire department member is identified. The certification shall be submitted by January 31 of each year to
104 the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other
105 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
106 the part of the member, to accept a certification after the January 31 deadline. In any county which
107 prorate the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may
108 be certified and classified pursuant to this subsection when the vehicle certified as of the immediately
109 prior January date is transferred during the tax year;

110 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire
111 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department
112 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor
113 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue
114 squad member may be specially classified under this section. The auxiliary member shall furnish the
115 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the
116 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire
117 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle
118 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department
119 member and an auxiliary member are members of the same household, that household shall be allowed
120 no more than two special classifications under this subdivision or subdivision 13 of this section. The
121 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;

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

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

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

31. Forest harvesting and silvicultural activity equipment; and

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

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

C. (Effective January 1, 2006) Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 of this title for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.

§ 58.1-3523. (Effective until January 1, 2006) Definitions.

As used in this chapter:

"Commissioner" means the Commissioner of the Department of Motor Vehicles.

"Commissioner of the revenue" means the same as that set forth in § 58.1-3100. For purposes of this chapter, in a county or city which does not have an elected commissioner of the revenue, "commissioner of the revenue" means the officer who is primarily responsible for assessing motor vehicles for the purposes of tangible personal property taxation.

"Department" means the Department of Motor Vehicles.

"Effective tax rate" means the tax rate imposed by a locality on tangible personal property on the applicable class of tangible personal property multiplied by the assessment ratio.

"General fund revenues" means, excluding transfers, (i) all state taxes, including penalties and interest, required and authorized to be collected and paid into the general fund of the state treasury pursuant to Title 58.1; and (ii) permits, fees, licenses, fines, forfeitures, charges for services, and revenue from use of money and property required or authorized to be paid into the general fund of the state treasury. However, in no case shall (i) lump-sum payments, (ii) one-time payments not generated from the normal operation of state government, (iii) payments from the Master Settlement Agreement as defined in § 3.1-1106, or (iv) proceeds from the sale of state property or assets be included.

"Leased" means leased by a natural person as lessee and used for nonbusiness purposes.

"Percentage level" means the percentage of the reimbursable amount to be reimbursed or paid by the Commonwealth.

"Privately owned" means owned by a natural person and used for nonbusiness purposes.

"Qualifying vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county or city in which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In determining whether a vehicle is a qualifying vehicle, the commissioner of revenue may rely on the registration of such vehicle with the Department pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title 46.2.

"Reimbursable amount" means the value of a qualifying vehicle, up to the first \$20,000 of value, multiplied by the effective tax rate in effect in the locality on July 1, 1997, or August 1, 1997, whichever is greater.

"Tangible personal property tax" means the tax levied pursuant to Article 1 (§ 58.1-3500 et seq.) of Chapter 35 of Title 58.1.

"Treasurer" means the same as that set forth in § 58.1-3123, when used herein with respect to a county or city. When used herein with respect to a town, "treasurer" means the officer who is primarily responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles by such town, and means the treasurer of the county or counties in which such town is located if such functions are performed for the town by the county treasurer or treasurers.

"Used for nonbusiness purposes" means the preponderance of use is for other than business purposes. The preponderance of use for other than business purposes shall be deemed not to be satisfied if: (i) the motor vehicle is expensed on the taxpayer's federal income tax return pursuant to Internal Revenue Code § 179; (ii) more than fifty 50 percent of the basis for depreciation of the motor vehicle is depreciated for federal income tax purposes; or (iii) the allowable expense of total annual mileage in excess of fifty 50 percent is deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee.

"Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used by the locality as of August 1, 1997, in valuing the qualifying vehicle.

§ 58.1-3524. (Effective until January 1, 2006) Reimbursement of tangible personal property taxes; deduction on tangible personal property tax bills.

A. For tax year 1998, the Commonwealth shall directly reimburse taxpayers, for tangible personal property tax levies paid on any qualifying vehicle, a percentage of the reimbursable amount determined pursuant to subdivision B 1, as provided in § 58.1-3525. For tax year 1999 2006 and tax years thereafter, the Commonwealth shall pay to treasurers a percentage of the reimbursable amount determined pursuant to subdivisions B 2 1 through B 5 6 on any qualifying vehicle, as provided in § 58.1-3526.

No payments by the Commonwealth to counties, cities, and towns that receive tangible personal property tax payments for qualifying vehicles from taxpayers prior to July 1 in any calendar year shall be made until after July 1 of that calendar year. Payments by the Commonwealth to counties, cities, and towns that have a billing date for tangible personal property taxes for qualifying vehicles falling between January 1 and June 30 of any calendar year, with respect to sums attributable to such billing dates shall be made no later than August 1 of that year.

The Secretary of Finance may authorize advance payment for any town that (i) has a due date for tangible personal property taxes on qualified vehicles for any year falling between January 1 and June 30, (ii) had a due date for tangible personal property taxes on qualified vehicles for tax year 2004 falling between January 1 and June 30, 2004, (iii) received reimbursements pursuant to the provisions of this Chapter between January 1 and June 30, 2004, (iv) utilizes the cash method of accounting, and (v) would suffer fiscal hardship in the absence of such advance payment.

B. Subject to the conditions of subsections C and D, the amount of the reimbursement to taxpayers for tax year 1998 and the amount of the payments to treasurers for tax years 2006 and after after 1998 shall be 100 percent for qualifying vehicles with a value of one thousand dollars \$1,000 or less and for each qualifying vehicle with a value of more than one thousand dollars \$1,000 shall be as follows:

Percentage Level

- | | |
|--|--|
| 1. For any tax year beginning in calendar year 1998 2006 | 12-5 70 percent of the reimbursable amount for each qualifying vehicle |
| 2. For any tax year beginning in calendar year 1999 2007 | 27-5 75 percent of the reimbursable amount for each qualifying vehicle |
| 3. For any tax year beginning in calendar year 2000 2008 | 47-5 80 percent of the reimbursable amount for each qualifying vehicle |
| 4. For any tax year beginning in calendar year 2001 2009 | 70 85 percent of the reimbursable amount for each qualifying vehicle |
| 5. For any tax year beginning in calendar year 2002 2010 and tax | 100 90 percent of the reimbursable amount for each qualifying vehicle |

305 ~~years thereafter~~

306 6. For any tax year beginning in 95 percent of the reimbursable
307 calendar year 2011 amount for each qualifying vehicle

308 7. For any tax year beginning in 100 percent of the reimbursable
309 calendar year 2012 or any year amount for each qualifying vehicle
310 thereafter

311 C. Notwithstanding the schedule set forth in subsection B, the percentage level for each qualifying
312 vehicle to be paid by the Commonwealth for a tax year shall not be increased at the beginning of any
313 calendar year above the percentage level paid by the Commonwealth in the preceding tax year if:

314 1. Actual general fund revenues for a fiscal year, including transfers, are less than the projected
315 general fund revenues, as reported in the general appropriation act in effect at that time, by one-half of
316 one percent or more of the amount of actual general fund revenues for such fiscal year;

317 2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.2-1503
318 indicates that general fund revenues, excluding transfers, for any fiscal year will be less than five
319 percent greater than general fund revenues for the immediately preceding fiscal year; or

320 3. The general fund revenue forecast provided by the Governor in December pursuant to § 2.2-1503
321 indicates that total general fund revenues available for appropriation, including transfers, for either of the
322 fiscal years covered by the general appropriation act in effect at that time will be less than the general
323 fund appropriations for such fiscal year or years.

324 D. If the percentage level remains the same for consecutive tax years, the percentage level to be used
325 in the following tax year shall remain the same unless none of the conditions described in subsection C
326 have occurred, in which event the amount to be paid by the Commonwealth for the immediately
327 following tax year shall be equal to the next highest percentage amount listed in subsection B.

328 E. 1. If a general fund revenue forecast provided by the Governor in December of any year pursuant
329 to § 2.2-1503 indicates that the additional appropriation of funds for payments to treasurers attributable
330 solely to the five additional percentage point increase from one year to the next in subsection B, based
331 on the Commissioner's certificate made pursuant to subsection B of § 58.1-3533, would exceed one
332 percent of the amount of total general fund revenues available for appropriation for payments in any
333 fiscal year, then the increase in the percentage amount determined under subsection B shall be reduced
334 to be equal to an increase in the percentage of the reimbursable amount of each qualifying vehicle, to
335 be determined by the Department, that would require the amount to be paid by the Commonwealth to
336 treasurers to not exceed such one percent limitation. Upon determining such actual percentage, the
337 Department shall notify treasurers of the reduced percentage reimbursement rate.

338 2. For any tax year corresponding to the fiscal year for which the percentage of payment is reduced
339 as provided in this subsection, the Commonwealth shall pay to treasurers the reduced percentage of the
340 reimbursable amount of each qualifying vehicle, if the conditions of subsections B through E of
341 § 58.1-3526 are satisfied.

342 3. Treasurers shall include the product obtained by multiplying the reduced percentage by the
343 reimbursable amount for the qualifying vehicle as a deduction on tangible personal property tax bills
344 for such tax year. However, if the percentage for the current tax year is reduced after a locality has
345 mailed its tangible personal property tax bills for qualifying vehicles for such tax year, the locality may
346 issue an additional assessment for the amount of the difference between the percentage amount for the
347 tax year reflected on the original assessment and the reduced amount of the deduction. If the percentage
348 for the current tax year is reduced before a locality has mailed its tangible personal property tax bills
349 for qualifying vehicles for such tax year, the locality may adjust each taxpayer's tangible personal
350 property tax bill to reflect the reduced amount of the deduction.

351 -E F. An amount equal to the percentage of the reimbursable amount as determined under
352 subdivisions B 2 through B 5 shall appear as a deduction on the tangible personal property tax bill for
353 qualifying vehicles, as provided by subsection E of § 58.1-3912.

354 1. In the event the General Assembly changes the percentage of the reimbursable amount as
355 described under subsection B for the current tax year and a locality has already printed its tangible
356 personal property tax bills for qualifying vehicles for the year that the percentage is changed, the
357 following procedures shall apply:

358 a. If the percentage of the reimbursable amount is decreased for the current tax year and the taxpayer
359 has paid the assessment, the locality may (i) levy an additional amount for the amount of the difference
360 between the percentage of the reimbursable amount for the tax year reflected on the original assessment
361 and the percentage of the reimbursable amount for the tax year as modified by the General Assembly in
362 the current year or (ii) carry forward the additional levy and include it on the subsequent tax bill,
363 provided such levy is not subject to penalty and interest.

364 b. If the percentage of the reimbursable amount is increased for the current tax year and the taxpayer
365 has paid the assessment, the locality shall issue a refund to the taxpayer for the amount of the difference

between the percentage of the reimbursable amount for the tax year reflected on the original assessment and the percentage of the reimbursable amount for the tax year as modified by the General Assembly in the current tax year. Such refunds shall be issued by the treasurer no later than ~~thirty~~ 30 days after receipt of the payment from the Commonwealth pursuant to § 58.1-3526.

2. In the event the General Assembly changes the percentage of the reimbursable amount as described under subsection B before a locality has printed its tangible personal property tax bills for qualifying vehicles, the following procedures shall apply:

a. If the percentage of the reimbursable amount is decreased for the current tax year, the locality may adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the General Assembly to the percentage of the reimbursable amount.

b. If the percentage of the reimbursable amount is increased for the current tax year, the locality shall adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the General Assembly to the percentage of the reimbursable amount.

2. That §§ 58.1-3506.1, 58.1-3523, 58.1-3524, and 58.1-3912 of the Code of Virginia, as they shall become effective, are repealed.

3. That the second, third, fourth, fifth, sixth, and seventh enactments of Chapter 1 of the 2004 Acts of Assembly Special Session I are repealed.