

067362299

HOUSE BILL NO. 974

Offered January 11, 2006

Prefiled January 11, 2006

A BILL to amend and reenact § 58.1-2403 of the Code of Virginia, relating to exemptions from the motor vehicle sales and use tax.

Patron—Englin

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-2403 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-2403. Exemptions.

No tax shall be imposed as provided in § 58.1-2402 if the vehicle is:

- 1. Sold to, rented or used by the United States government or any governmental agency thereof;
- 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;
- 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;
- 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any other recognized Indian tribe of the Commonwealth living on the tribal reservation;
- 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the lienholder;
- 6. A manufactured home permanently attached to real estate and included in the sale of real estate;
- 7. A gift to the spouse, son, or daughter of the transferor. With the exception of a gift to a spouse, this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the transfer;
- 8. Transferred from an individual or partnership to a corporation or limited liability company or from a corporation or limited liability company to an individual or partnership if the transfer is incidental to the formation, organization or dissolution of a corporation or limited liability company in which the individual or partnership holds the majority interest;
- 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent corporation to a wholly owned subsidiary;
- 10. Being registered for the first time in this Commonwealth and the applicant holds a valid, assignable title or registration issued to him by another state and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has been purchased by the applicant within the last 12 months and the applicant is unable to provide evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the fair market value of the vehicle at the time of registration in Virginia;
- 11. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale;
- 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles, one way, on the same day;
- 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than Virginia;
- 14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for the use of a church conducted not for profit;
- 15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the instruction of driver's education when such education is a part of such school's curriculum for full-time students;
- 16. Sold to an insurance company for the sole purpose of disposition when such company has paid the registered owner of such vehicle a total loss claim;
- 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of foreign governments, their employees or agents, and members of their families, if such persons are nationals of the state by which they are appointed and are not citizens of the United States;
- 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a nonprofit hospital or a cooperative hospital service organization as described in § 501 (e) of the United States Internal Revenue Code;
- 19. A motor vehicle having seats for more than seven passengers and sold to a restricted common

INTRODUCED

HB974

59 carrier or common carrier of passengers;

60 20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic  
61 or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital  
62 service organization as described in § 501 (e) of the United States Internal Revenue Code, or a nonprofit  
63 corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research in,  
64 diagnosis of, or therapy for human ailments;

65 21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501 (c)  
66 (3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such  
67 organization;

68 22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the  
69 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,  
70 medicines and other necessities of life to, and providing shelter for, needy persons in the United States  
71 and throughout the world;

72 23. A truck, tractor truck, trailer, or semitrailer, as severally defined in § 46.2-100, except trailers and  
73 semitrailers not designed or used to carry property and vehicles registered under § 46.2-700, with a gross  
74 vehicle weight rating or gross combination weight rating of 26,001 pounds or more, in which case no  
75 tax shall be imposed pursuant to subdivisions 1 and 3 of subsection A of § 58.1-2402;

76 24. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a  
77 Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of  
78 whether other beneficiaries of the trust may also be named in the trust instrument, when no  
79 consideration has passed between the titleholder and the beneficiaries; and transferred to the original  
80 titleholder from the trustees holding title to the motor vehicle;

81 25. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the  
82 beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be  
83 named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust  
84 following the death of the grantor, when no consideration has passed between the grantor and the  
85 beneficiaries in either case;

86 26. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if  
87 the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with  
88 respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of  
89 the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has  
90 been paid to the Commonwealth by the lessee purchasing the vehicle; ~~or~~

91 27. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will,  
92 of such deceased person; *or*

93 28. *Any (i) car with a combined Environmental Protection Agency (EPA) fuel efficiency rating of 50*  
94 *miles per gallon or greater, or (ii) sport utility vehicle with a combined EPA fuel efficiency rating of 30*  
95 *miles per gallon or greater.*