

## 2008 SPECIAL SESSION II

### SENATE SUBSTITUTE

086033228

#### SENATE BILL NO. 6015

#### AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Transportation  
on June 24, 2008)

(Patron Prior to Substitute—Senator Edwards)

A *BILL to amend and reenact §§ 33.1-23.03:1, 58.1-339.8, 58.1-611.1, 58.1-2289, as it is currently effective and as it may become effective, 58.1-2402, and 58.1-2425 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 33.1-23.1:01 and by adding in Chapter 22 of Title 58.1 an article numbered 8.1, consisting of a section numbered 58.1-2288.1, relating to revenues of the Commonwealth; transportation funding.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 33.1-23.03:1, 58.1-339.8, 58.1-611.1, 58.1-2289, as it is currently effective and as it may become effective, 58.1-2402, and 58.1-2425 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 33.1-23.1:01 and by adding in Chapter 22 of Title 58.1 an article numbered 8.1, consisting of a section numbered 58.1-2288.1, as follows:**

§ 33.1-23.03:1. Transportation Trust Fund.

There is hereby created in the Department of the Treasury a special nonreverting fund to be known as the Transportation Trust Fund, consisting of:

1. Funds remaining for highway construction purposes, among the several highway systems pursuant to § 33.1-23.1.

2. [Repealed.]

3. The additional revenues generated by enactments of Chapters 11, 12 and 15 of the Acts of Assembly, 1986 Special Session, and designated for this fund, *and the revenues in the 21st Century Transportation Fund established under § 33.1-23.1:01 and designated for this fund.*

4. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title which are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to § 33.1-253 (Chesapeake Bay Bridge and Tunnel District) and § 33.1-320 (Richmond Metropolitan Authority) or if the appointed governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the Transportation Trust Fund to the extent required by law or the Board.

5. Tolls and other revenues derived from the Richmond-Petersburg Turnpike, provided that such funds shall be held in a separate subaccount of the Transportation Trust Fund and allocated as set forth in Chapter 574 of the Acts of Assembly of 1983 until expiration of that Act.

6. Such other funds as may be appropriated by the General Assembly from time to time, and designated for this fund.

7. All interest, dividends and appreciation which may accrue to the Transportation Trust Fund and the Highway Maintenance and Construction Fund, except that interest on funds becoming part of the Transportation Trust Fund under subdivision 1 and the Highway Maintenance and Construction Fund shall not become part of the Transportation Trust Fund until July 1, 1988.

8. All amounts required by contract to be paid over to the Transportation Trust Fund.

9. Concession payments paid to the Commonwealth by a private entity pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.).

§ 33.1-23.1:01. *21st Century Transportation Fund.*

A. *There is hereby created in the state treasury a special nonreverting fund known as the 21st Century Transportation Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Any moneys collected by virtue of § 58.1-2288.1, any additional revenues created by enactments of the 2008 Special Session II of the General Assembly which amended subdivisions A 1 and A 2 of § 58.1-2402, and any other public or private moneys designated for the Fund shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.*

B. *Moneys in the Fund shall be used solely to address transportation projects and needs in the Commonwealth as follows:*

1. *From the first \$ 41 million of such revenues in each fiscal year, \$36 million shall be deposited*

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60 into the Rail Enhancement Fund established under § 33.1-221.1:1.1 and \$5 million shall be deposited  
61 into the Shortline Railway Preservation and Development Fund established under § 33.1-221.1:1.2.

62 2. After the deposits in subdivision 1 have been made, of the remaining revenue set forth in  
63 subsection A:

64 a. Thirty-five percent shall be allocated for use by the Board solely to finance those priority  
65 transportation projects, as determined by the Board in consultation with the Northern Virginia  
66 Transportation Authority established pursuant to § 15.2-4830, that are located in, or which provide a  
67 benefit to, the counties and cities that are embraced by the Northern Virginia Transportation Authority;

68 b. Fifteen percent shall be allocated for use by the Board solely to finance those priority  
69 transportation projects, as determined by the Board, that are included in the federally mandated 2030  
70 Regional Transportation Plan approved by the Hampton Roads Metropolitan Planning Organization, or  
71 any successive plan, and that are located in, or which provide a benefit to, the counties and cities  
72 represented by voting members in the Hampton Roads Metropolitan Planning Organization;

73 c. Twenty-five percent shall be deposited into the Transportation Trust Fund established under  
74 § 33.1-23.03:1; and

75 d. Twenty-five percent shall be deposited into the Highway Maintenance and Operating Fund.

76 § 58.1-339.8. Income tax credit for low-income taxpayers.

77 A. As used in this section, unless the context requires otherwise:

78 "Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an  
79 individual, the individual's spouse, and any person claimed as a dependent on the individual's or his  
80 spouse's income tax return for the taxable year.

81 "Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of  
82 Columbia updated annually in the Federal Register by the U.S. Department of Health and Human  
83 Services under the authority of § 673 (2) of the Omnibus Budget Reconciliation Act of 1981.

84 "Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

85 B. 1. For taxable years beginning on and after January 1, 2000, any individual or persons filing a  
86 joint return whose family Virginia adjusted gross income does not exceed 100 percent of the poverty  
87 guideline amount corresponding to a household of an equal number of persons as listed in the poverty  
88 guidelines published during such taxable year, shall be allowed a credit against the tax levied pursuant  
89 to § 58.1-320 in an amount equal to \$300 each for the individual, the individual's spouse, and any  
90 person claimed as a dependent on the individual's or married persons' income tax return for the taxable  
91 year. For any taxable year in which a husband and wife file separate Virginia income tax returns, the  
92 credit provided under this section shall be allowed against the tax for only one of such two tax returns.  
93 Additionally, the credit provided under this section shall not be allowed against such tax of a dependent  
94 of the individual or of married persons.

95 2. For taxable years beginning on and after January 1, 2006, any individual or married persons,  
96 eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu  
97 of the credit authorized under subdivision B 1, claim a credit against the tax imposed pursuant to  
98 § 58.1-320 in an amount equal to 20 30 percent of the credit claimed by the individual or married  
99 persons for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the  
100 taxable year. In no case shall a household be allowed a credit pursuant to this subdivision and  
101 subdivision B 1 for the same taxable year.

102 For purpose of this subdivision, "household" means an individual and in the case of married persons,  
103 the individual and his spouse regardless of whether or not the individual and his spouse file combined  
104 or separate Virginia individual income tax returns.

105 C. The amount of the credit provided pursuant to subsection B for any taxable year shall not exceed  
106 the individual's or married persons' Virginia income tax liability.

107 D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to  
108 subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person  
109 claimed as a dependent on such individual's or married persons' income tax return, claims one or any  
110 combination of the following on his or their income tax return for such taxable year:

111 1. The subtraction under subdivision C 11 of § 58.1-322;

112 2. The subtraction under subdivision C 23 of § 58.1-322;

113 3. The subtraction under subdivision C 24 of § 58.1-322;

114 4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision  
115 D 2 b of § 58.1-322; or

116 5. The deduction under subdivision D 5 of § 58.1-322.

117 § 58.1-611.1. Rate of tax on sales of food purchased for human consumption.

118 A. The tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption shall be  
119 levied and distributed as follows:

120 1. From January 1, 2000, through midnight on June 30, 2005, the tax rate on such food shall be  
121 three percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the

revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one and one-half percent shall be used for general fund purposes.

2. On and after July 1, 2005, the tax rate on such food shall be one and one-half percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638.

3. *On and after January 1, 2009, the tax rate on such food shall be one percent of the gross sales price. The revenue from the tax shall be distributed as provided in subsections B, C and D of § 58.1-638.*

B. The provisions of this section shall not affect the imposition of tax on food purchased for human consumption pursuant to §§ 58.1-605 and 58.1-606.

C. As used in this section, "food purchased for human consumption" has the same meaning as "food" defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to that Act, except it shall not include seeds and plants which produce food for human consumption. For the purpose of this section, "food purchased for human consumption" shall not include food sold by any retail establishment where the gross receipts derived from the sale of food prepared by such retail establishment for immediate consumption on or off the premises of the retail establishment constitutes more than 80 percent of the total gross receipts of that retail establishment, including but not limited to motor fuel purchases, regardless of whether such prepared food is consumed on the premises of that retail establishment. For purposes of this section, "retail establishment" means each place of business for which any "dealer," as defined in § 58.1-612, is required to apply for and receive a certificate of registration pursuant to § 58.1-613.

#### Article 8.1.

#### Additional Taxes.

##### § 58.1-2288.1. Additional taxes on fuels.

A. Any licensee or person required to precollect the tax imposed on fuels under § 58.1-2217 or 58.1-2249 shall also be required to precollect an additional tax, which is hereby imposed at the rate established in subsection B, on the number of gallons of gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel for which the licensee or person is precollecting the tax under such section or sections. The tax imposed under this section shall be in addition to all other taxes and fees of every kind now imposed by law.

B. The tax imposed under subsection A shall be imposed at a cents-per-gallon rate determined by the Commissioner. Such tax shall be imposed at a cents-per-gallon rate equal to 5 percent of the statewide average wholesale price of a gallon of self-serve unleaded regular gasoline for the applicable base period, excluding federal and state excise taxes, as determined by the Commissioner rounded up to the nearest one-tenth of one cent.

In computing the cents-per-gallon tax, the Commissioner shall use two base periods. The period from April 1 through September 30 shall be the base period for purposes of determining the cents-per-gallon tax for the immediately following period beginning January 1 and ending June 30, inclusive. The period from October 1 through March 31 shall be the base period for purposes of determining the cents-per-gallon tax for the immediately following period beginning July 1 and ending December 31, inclusive.

C. The tax imposed under this section on gallons of fuel for which the licensee or person is precollecting the tax under § 58.1-2217 or 58.1-2249 is imposed on the ultimate consumer but shall be precollected as prescribed herein, and the levies and assessments imposed on the licensee or person for such tax are imposed on them as agents of the Commonwealth for the precollection of the tax.

D. The tax imposed under subsection A shall be due and paid by such licensee or person at the same time that the tax under § 58.1-2217 or 58.1-2249, as applicable, is due. All provisions of this chapter including but not limited to return filing and reporting requirements, payment requirements and due dates for payment of tax, requirements to precollect tax, late payment penalties and interest, jeopardy assessments, civil penalties, discounts, deductions, and exemptions from tax shall apply mutatis mutandis to the additional tax imposed under this section.

§ 58.1-2289. (Contingent expiration date - see Editor's notes) Disposition of tax revenue generally.

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds

shall accrue to these funds. Except as provided in § 33.1-23.03:1, no portion of the revenue derived from taxes collected pursuant to §§ 58.1-2217, 58.1-2249 or 58.1-2701, and remaining after authorized refunds for nonhighway use of fuel, shall be used for any purpose other than the construction, reconstruction or maintenance of the roads and projects comprising the State Highway System, the Interstate System and the secondary system of state highways and expenditures directly and necessarily required for such purposes, including the retirement of revenue bonds.

Revenues collected under this chapter may be also used for (i) contributions toward the construction, reconstruction or maintenance of streets in cities and towns of such sums as may be provided by law and (ii) expenditures for the operation and maintenance of the Department of Transportation, the Department of Rail and Public Transportation, the Department of Aviation, the Virginia Port Authority, and the Department of Motor Vehicles as may be provided by law.

The Governor is hereby authorized to transfer out of such fund an amount necessary for the inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection and analysis of gasoline for purity.

B. Except as provided in subsection F, the tax collected on each gallon of aviation fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and educational phases of the agricultural program, including supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable expenses of the Virginia Agricultural Council.

D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the purposes provided generally in subsection C of § 29.1-701, including acquisition, construction, improvement and maintenance of public boating access areas on the public waters of this Commonwealth and for other activities and purposes of direct benefit and interest to the boating public and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be used for the construction, repair, improvement and maintenance of the public docks of this Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction, improvement and maintenance of the public docks shall be made according to a plan developed by the Virginia Marine Resources Commission.

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established by the General Assembly.

E. Notwithstanding other provisions of this section, there shall be transferred from moneys collected pursuant to this section to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, an amount equal to one percent of a sum to be calculated as follows: the tax revenues collected pursuant to this chapter, at the tax rates in effect on December 31, 1986, less refunds authorized by this chapter and less taxes collected for aviation fuels.

F. The additional revenues, less any additional refunds authorized, generated by increases in the rates of taxes under this chapter pursuant to enactments of the 2007 Session of the General Assembly shall be collected pursuant to Article 4 of this chapter and deposited into the Highway Maintenance and Operating Fund.

*G. The revenues, less any additional refunds authorized, generated by § 58.1-2288.1 shall be collected pursuant to Article 4 (§ 58.1-2230 et seq.) of this chapter and deposited into the 21st Century Transportation Fund established under § 33.1-23.1:01.*

§ 58.1-2289. (Contingent effective date - see Editor's notes) Disposition of tax revenue generally.

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. Except as provided in § 33.1-23.03:1, no portion of the revenue derived from taxes collected pursuant to §§ 58.1-2217, 58.1-2249 or § 58.1-2701, and remaining after authorized refunds for nonhighway use of fuel, shall be used for any purpose other than the construction, reconstruction or maintenance of the roads and projects comprising the State Highway System, the Interstate System and the secondary system of state highways and expenditures directly and necessarily required for such purposes, including the retirement of revenue bonds.

Revenues collected under this chapter may be also used for (i) contributions toward the construction, reconstruction or maintenance of streets in cities and towns of such sums as may be provided by law and (ii) expenditures for the operation and maintenance of the Department of Transportation, the Department of Rail and Public Transportation, the Department of Aviation, the Virginia Port Authority, and the Department of Motor Vehicles as may be provided by law.

The Governor is hereby authorized to transfer out of such fund an amount necessary for the inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection and analysis of gasoline for purity.

B. The tax collected on each gallon of aviation fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

C. One-half cent of the tax collected on each gallon of fuel on which the refund has been paid at the rate of seventeen cents per gallon, or in the case of diesel fuel, fifteen and one-half cents per gallon, for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and educational phases of the agricultural program, including supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable expenses of the Virginia Agricultural Council.

D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the purposes provided generally in subsection C of § 29.1-701, including acquisition, construction, improvement and maintenance of public boating access areas on the public waters of this Commonwealth and for other activities and purposes of direct benefit and interest to the boating public and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be used for the construction, repair, improvement and maintenance of the public docks of this Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction, improvement and maintenance of the public docks shall be made according to a plan developed by the Virginia Marine Resources Commission.

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established by the General Assembly.

E. Notwithstanding other provisions of this section, there shall be transferred from moneys collected pursuant to this section to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, an amount equal to one percent of a sum to be calculated as follows: the tax revenues collected pursuant to this chapter, at the tax rates in effect on December 31, 1986, less refunds authorized by this chapter and less taxes collected for aviation fuels.

306 *F. The revenues, less any additional refunds authorized, generated by § 58.1-2288.1 shall be*  
307 *collected pursuant to Article 4 (§ 58.1-2230 et seq.) of this chapter and deposited into the 21st Century*  
308 *Transportation Fund established under § 33.1-23.1:01.*

309 § 58.1-2402. Levy.

310 A. There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law,  
311 a tax upon the sale or use of motor vehicles in Virginia, other than (i) vehicles with a gross vehicle  
312 weight rating or gross combination weight rating of 26,001 pounds or more, or (ii) a sale to or use by a  
313 person for rental as an established business or part of an established business or incidental or germane to  
314 such business.

315 There shall also be levied a tax upon the rental of a motor vehicle in Virginia, without regard to  
316 whether such vehicle is required to be licensed by the Commonwealth. However, such tax shall not be  
317 levied upon a rental to a person for re-rental as an established business or part of an established  
318 business, or incidental or germane to such business.

319 The amount of the tax to be collected shall be determined by the Commissioner by the application of  
320 the following rates against the gross sales price or gross proceeds:

321 1. Three *and one half* percent of the sale price of each motor vehicle sold in Virginia. If such motor  
322 vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three *and one half* percent of  
323 the sale price of each such manufactured home sold in ~~this~~ *the* Commonwealth; if such vehicle is a  
324 mobile office as defined in § 58.1-2401, the tax shall be two *and one half* percent of the sale price of  
325 each mobile office sold in ~~this~~ *the* Commonwealth.

326 2. Three *and one half* percent of the sale price of each motor vehicle, or three *and one half* percent  
327 of the sale price of each manufactured home as defined in § 36-85.3, or two *and one half* percent of the  
328 sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for  
329 use in ~~this~~ *the* Commonwealth. When any such motor vehicle or manufactured home is first used or  
330 stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current  
331 market value.

332 3. ~~Four~~ *Five* percent of the gross proceeds from the rental in Virginia of any motor vehicle, except  
333 those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

334 4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross  
335 proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle  
336 is required to be licensed in the Commonwealth.

337 5. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall  
338 be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required  
339 to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented,  
340 enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

341 6. The minimum tax levied on the sale of any motor vehicle in the Commonwealth shall be \$35,  
342 except as provided by those exemptions defined in § 58.1-2403.

343 B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall  
344 the same transaction be taxed more than once under either subdivision. A motor vehicle subject to the  
345 tax imposed under subdivision A 3 shall be subject to the tax under either subdivision A 1 or A 2 when  
346 it ceases to be used for rental as an established business or part of an established business, or incidental  
347 or germane to such business.

348 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of  
349 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no  
350 longer owned, rented or used by the United States government or any governmental agency, or the  
351 Commonwealth of Virginia or any political subdivision thereof. Further, any motor vehicle, trailer or  
352 semitrailer exempt from the tax imposed by this chapter under subdivision 11 of § 58.1-2403 or  
353 §§ 46.2-663 through 46.2-674 shall be subject to the tax, based on the current market value, when such  
354 vehicle is subsequently licensed to operate on the highways of ~~this~~ *the* Commonwealth.

355 D. Any person who with intent to evade or to aid another person to evade the tax provided for  
356 herein, falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for  
357 title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this  
358 title or Title 46.2, shall be guilty of a Class 3 misdemeanor.

359 E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged  
360 by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to  
361 subdivision 10 of § 46.2-1530, shall be subject to the tax.

362 § 58.1-2425. Disposition of revenues.

363 A. Except as provided in § 58.1-2402.1 funds collected hereunder by the Commissioner shall be  
364 forthwith paid into the state treasury. Except as otherwise provided in § 58.1-2402.1 and in this section,  
365 these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances  
366 remaining in these funds at the end of the year shall be available for use in subsequent years for the  
367 purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds.

368 The revenue so derived, after refunds have been deducted, is hereby allocated for the construction,  
 369 reconstruction and maintenance of highways and the regulation of traffic thereon and for no other  
 370 purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured  
 371 homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such  
 372 manufactured home is to be situated as a dwelling; (ii) all funds collected from the additional tax  
 373 imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed  
 374 quarterly to the city, town, or county wherein such vehicle was delivered to the rentee; (iii) effective  
 375 January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the  
 376 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697,  
 377 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust  
 378 Fund, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the  
 379 Commonwealth Transportation Board for transportation needs; (iv) except as otherwise provided in  
 380 clause (iii) of this sentence, ~~all moneys revenues~~ collected from ~~the~~ *a four percent* tax on the gross  
 381 proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 ~~at~~  
 382 ~~the tax rate in effect on December 31, 1986,~~ shall be paid by the Commissioner into the state treasury  
 383 and shall be paid into the Rail Enhancement Fund established by § 33.1-221.1:1.1; ~~and~~ (v) all additional  
 384 revenues resulting from the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004  
 385 Session of the General Assembly shall be used to pay the debt service on the bonds issued by the  
 386 Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the  
 387 Department of State Police pursuant to the authority granted by the 2004 Session of the General  
 388 Assembly; *and (vi) an amount equivalent to the net additional revenues generated by enactments of the*  
 389 *2008 Special Session II of the Virginia General Assembly for the tax imposed under subdivisions A 1*  
 390 *and A 2 of § 58.1-2402 shall be deposited in the 21st Century Transportation Fund established under*  
 391 *§ 33.1-23.1:01.*

392 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
 393 Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be  
 394 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
 395 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7  
 396 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit  
 397 Fund.