

**DEPARTMENT OF TAXATION
2009 Fiscal Impact Statement**

1. Patron L. Scott Lingamfelter

2. Bill Number HB 2524

3. Committee Passed House and Senate

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. Title Personal Property Tax: Separate
Classification for Large Capacity Motor
Vehicles

Second House:

☐ In Committee

☐ Substitute

☒ Enrolled

5. Summary/Purpose:

This bill would create a separate classification for local property tax purposes for motor vehicles with a seating capacity of at least 30 persons, including the driver.

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 no impact on state revenues. Unless a locality elects to change the tax rate applicable to this new classification of property from the current rate at which it is assessed, there would be no effect on local revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No.

11. Other comments:

Background

Currently, there are thirty-eight categories of property that are classified as separate classes of property, thirty-three of which can be taxed at a rate not to exceed the general rate imposed on tangible personal property, four of which can be taxed at a rate not to exceed the general rate imposed on machinery and tools, and one that may be taxed at a rate equal to the general rate imposed on real property. Under current law, there are 12 different classifications of tangible personal property for motor vehicles for rate purposes:

- Antique motor vehicles
- Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, used exclusively pursuant to a ridesharing arrangement
- Motor vehicles specially equipped to provide transportation for physically handicapped individuals
- Motor vehicles owned or leased by members of a volunteer rescue squad or volunteer fire department
- Motor vehicles owned or leased by auxiliary members of a volunteer rescue squad or volunteer fire department
- 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
- One motor vehicle owned and regularly used by a disabled veteran
- Motor vehicles owned or leased by auxiliary police officers
- Motor vehicles which use clean special fuels
- 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
- Privately owned motor homes that are used for recreational purposes only
- Motor vehicles owned or leased by persons who serve as auxiliary, reserve, or special deputy sheriffs

Proposal

For tax rate purposes, this bill would provide a separate classification of tangible personal property for motor vehicles with a seating capacity of at least 30 persons, including the driver. This bill would provide a thirty-ninth classification of tangible personal property, and the thirteenth separate classification for motor vehicles:

The effective date of this bill is not specified.

Similar Legislation

House Bill 2592 would create a separate classification for local property tax purposes for motor vehicles powered solely by electricity.

cc : Secretary of Finance

Date: 2/13/2009 AM

DLAS File Name: HB2524FER161