

# DEPARTMENT OF TAXATION

## 2012 Fiscal Impact Statement

1. **Patron** Robert Tata

2. **Bill Number** HB 41

**House of Origin:**

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

3. **Committee** Passed by House and Senate

4. **Title** Personal Property Tax; Situs of Motor Vehicles Used by Students Attending Institutions of Higher Education

**Second House:**

☐ **In Committee**

☐ **Substitute**

☒ **Enrolled**

### 5. **Summary/Purpose:**

This bill would change the rules for determining situs for personal property tax purposes to provide that the situs of a motor vehicle used by a full-time student attending an institution of higher education is the domicile of the owner of the motor vehicle, rather than the locality in which the vehicle is normally garaged or parked. Under the proposal, if the locality in which the institution of higher education is located so requests, the owner would need to present sufficient evidence that he has paid a personal property tax on the motor vehicle to the locality of his domicile.

Under current law, the situs of a vehicle being used by a full-time student attending a higher education institution is the domicile of the student, rather than the locality in which the vehicle is parked or garaged only if the full-time student is the owner of the motor vehicle. As the owner, the student is required to show that he paid personal property tax on the motor vehicle in his domicile.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

### 8. **Fiscal implications:**

This bill would have no impact on state revenues. As the bill would change the situs for vehicles used by full-time students attending institutions of higher education that are located in jurisdictions that are different from their domiciles, the bill may result in some shifting of personal property tax revenue between affected jurisdictions.

### 9. **Specific agency or political subdivisions affected:**

All localities

10. **Technical amendment necessary:** No.

## 11. Other comments:

### Generally

For purposes of the local tangible personal property tax, generally, vehicles are assessed by the jurisdiction in which they are normally garaged, or parked. Where a motor vehicle is owned by a full-time student attending an institution of higher education, however, the situs is the domicile of the student, provided the student has presented sufficient evidence that he has paid a personal property tax on the motor vehicle in the locality of his domicile.

### Proposal

This bill would change the standards by providing that the situs of a motor vehicle used, rather than owned, by a full-time student attending an institution of higher education is the domicile of the owner of the motor vehicle. Upon request of the locality of the institution of higher education, the owner would need to present sufficient evidence that he has paid a personal property tax on the motor vehicle in the locality of his domicile.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/27/2012 KP  
DLAS File Name: HB41FER161