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## HOUSE BILL NO. 589

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance  
on January 27, 2014)

(Patron Prior to Substitute—Delegate Davis)

A *BILL to amend and reenact § 58.1-3504 of the Code of Virginia, relating to personal property tax; exemption for household goods.*

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

**1. That § 58.1-3504 of the Code of Virginia is amended and reenacted as follows:**

**§ 58.1-3504. Classification of certain household goods and personal effects for taxation; governing body may exempt.**

A. Notwithstanding any provision of § 58.1-3503, household goods and personal effects are hereby defined as separate items of taxation and classified as follows:

1. Bicycles.

2. Household and kitchen furniture, including gold and silver plates, plated ware, watches and clocks, sewing machines, refrigerators, automatic refrigerating machinery of any type, vacuum cleaners and all other household machinery, books, firearms and weapons of all kinds.

3. Pianos, organs, and all other musical instruments; phonographs, record players, and records to be used therewith; and radio and television instruments and equipment.

4. Oil paintings, pictures, statuary, curios, articles of virtu and works of art.

5. Diamonds, cameos or other precious stones and all precious metals used as ornaments or jewelry.

6. Sporting and photographic equipment.

7. Clothing and objects of apparel.

8. Antique motor vehicles as defined in § 46.2-100 which may not be used for general transportation purposes.

9. All-terrain vehicles, mopeds, and off-road motorcycles as defined in § 46.2-100.

10. *Electronic communications and processing devices and equipment, including but not limited to cell phones and personal computers, including peripheral equipment such as printers.*

11. All other tangible personal property used by an individual or a family or household incident to maintaining an abode.

The classification above set forth shall apply only to such property owned and used by an individual or by a family or household *primarily* incident to maintaining an abode. *An item of property shall not lose its designation as being used primarily incident to maintaining an abode solely because it is used incidentally for business purposes, provided that it is not purchased by or owned by a business. Electronic communications and processing devices and equipment used inside an abode shall not lose their designation as being used primarily incident to maintaining an abode solely because they are also used outside an abode, regardless of the relative percentage of time they are used inside or outside an abode.*

The governing body of any county, city or town may, by ordinance duly adopted, exempt from taxation all of the above classes of household goods and personal effects.

B. Notwithstanding any provision set forth above, household appliances in residential rental property used by an individual or by a family or household incident to maintaining an abode shall be deemed to be fixtures and shall be assessed as part of the real property in which they are located.

For purposes of this subsection, "household appliances" shall mean all major appliances customarily used in a residential home and which are the property of the owner of the real estate, including, without limitation, refrigerators, stoves, ranges, microwave ovens, dishwashers, trash compactors, clothes dryers, garbage disposals and air conditioning units.