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SENATE BILL NO. 1212

Offered January 14, 2015

Prefiled January 13, 2015

A *BILL to amend and reenact §§ 58.1-1402 and 58.1-1410 of the Code of Virginia, relating to watercraft sales and use tax.*

Patron—Ebbin

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-1402 and 58.1-1410 of the Code of Virginia are amended and reenacted as follows: § 58.1-1402. Tax levied.

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale of every watercraft sold in ~~this~~ *the* Commonwealth, upon the use in ~~this~~ *the* Commonwealth of any watercraft, and upon the gross receipts from the lease, charter, or other use of any watercraft by a registered dealer in ~~this~~ *the* Commonwealth.

The amount of the tax to be collected shall be determined by applying the following rate against the sale price, market value, or gross receipts:

1. ~~Two~~ 4.15 percent of the sale price of each watercraft sold in the Commonwealth.

2. ~~Two~~ 4.15 percent of the sale price of each watercraft not sold in the Commonwealth but required to be titled in the Commonwealth. However, if the watercraft is first required to be titled in the Commonwealth six months or more after its acquisition, the tax shall be two percent of the market value of such watercraft at the time it is titled.

3. ~~Two~~ 4.15 percent of the gross receipts from the lease, charter, or other use of any watercraft by a registered dealer.

~~The maximum tax levied under subdivisions 1 and 2 of this section shall be \$2,000.~~ A transaction taxed under subdivision 1 shall not be taxed under subdivision 2 or 3, nor shall the same transaction be taxed more than once under either subdivision 1, 2, or 3. Use of any watercraft by a registered dealer resulting in taxation under subdivision 3 shall not exempt any subsequent sale or use of such watercraft from being taxed under subdivision 1 or 2 if applicable.

§ 58.1-1410. Disposition of funds.

Funds collected hereunder by the Tax Commissioner shall be paid into the general fund of the state treasury and ~~48.2 percent of such revenues shall be~~ allocated to the game protection fund in the following manner:

For Fiscal Year	Percentage of Collections
1996	50%
1997	50%
1998	50%
1999	75%
2000 and thereafter	100% 48.2%

Not later than thirty days after the close of each quarter, the Comptroller shall transfer to the game protection fund the appropriate percentage of collections to be dedicated to such fund. The Comptroller may make such adjustments as necessary in subsequent quarters subject to the audit report of the Auditor of Public Accounts.

Such funds shall be made available only to the Department of Game and Inland Fisheries for the following: boating-related activities and expenses, and to enhance and improve recreation opportunities for boaters, including but not limited to land acquisition, capital projects, maintenance, and facilities for boating access to the waters of the Commonwealth; boating safety law enforcement, including salaries, benefits, equipment and overtime expenses for conservation police officers so assigned; boating and other aquatic resource educational activities, including personnel, and education and safety materials; boating-related expenses for required reporting to federal and state officials; information management costs, including personnel, hardware, and software needed to better serve boating customers; and related administrative costs for boating-related activities, including human resources, accounting, public relations, administration and facilities to support and house necessary boating-related personnel and equipment.