

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 An Act to amend and reenact § 58.1-2402, as it is currently effective, of the Code of Virginia, relating
3 to motor vehicle sales and use tax.

4 [H 680]
5 Approved

6 **Be it enacted by the General Assembly of Virginia:**
7 **1. That § 58.1-2402, as it is currently effective, of the Code of Virginia is amended and reenacted**
8 **as follows:**

9 **§ 58.1-2402. (Contingent expiration date) Levy.**

10 A. There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law,
11 a tax upon the sale or use of motor vehicles in Virginia, other than a sale to or use by a person for
12 rental as an established business or part of an established business or incidental or germane to such
13 business.

14 The amount of the tax to be collected shall be determined by the Commissioner by the application of
15 the following rates against the gross sales price:

16 1. Three percent through midnight on June 30, 2013, four percent (4.0%) beginning July 1, 2013,
17 through midnight on June 30, 2014, four and five-hundredths of a percent (4.05%) beginning July 1,
18 2014, through midnight on June 30, 2015, four and one tenth of a percent (4.1%) beginning July 1,
19 2015, through midnight on June 30, 2016, and four and fifteen-hundredths (4.15%) of a percent
20 beginning on and after July 1, 2016, of the sale price of each motor vehicle sold in Virginia. If such
21 motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale
22 price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as
23 defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the
24 Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of
25 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile
26 office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not
27 designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero
28 percent of the sale price of each such vehicle sold in the Commonwealth.

29 2. Three percent through midnight on June 30, 2013, four percent (4.0%) beginning July 1, 2013,
30 through midnight on June 30, 2014, four and five-hundredths of a percent (4.05%) beginning July 1,
31 2014, through midnight on June 30, 2015, four and one tenth of a percent (4.1%) beginning July 1,
32 2015, through midnight on June 30, 2016, and four and fifteen-hundredths (4.15%) of a percent
33 beginning on and after July 1, 2016, of the sale price of each motor vehicle, not sold in Virginia but
34 used or stored for use in the Commonwealth; or three percent of the sale price of each manufactured
35 home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in
36 § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. If such vehicle has a
37 gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither
38 (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a
39 trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor
40 (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such
41 vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. When any
42 motor vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in
43 Virginia six months or more after its acquisition, the tax shall be based on its current market value.

44 3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to
45 taxation at a rate exceeding zero percent shall be \$75, except as provided by those exemptions defined
46 in § 58.1-2403; however, for a trailer, as defined in § 46.2-100, with a registered gross weight of 2,000
47 pounds or less, the minimum tax shall be \$35.

48 4 through 7. [Repealed.]

49 B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall
50 the same transaction be taxed more than once under either subdivision.

51 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of
52 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no
53 longer owned or used by the United States government or any governmental agency, or the
54 Commonwealth of Virginia or any political subdivision thereof, unless such vehicle is then rented, in
55 which case the tax imposed by § 58.1-1736 shall apply, subject to the exemptions provided in
56 § 58.1-1737. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this

57 chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax,
58 based on the current market value, when such vehicle is subsequently licensed to operate on the
59 highways of the Commonwealth.

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

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

67 **2. That the provisions of the first enactment of this act shall not become effective unless reenacted**
68 **by the 2019 Session of the General Assembly.**

69 **3. That the Commissioner of the Virginia Department of Motor Vehicles, in consultation with the**
70 **Virginia Department of Transportation and any applicable stakeholder groups, shall review the**
71 **impact of implementing an alternative to the minimum sales and use tax required by Chapter 766**
72 **of the Acts of Assembly of 2013 for trailers, as provided for in this act, including the impact on**
73 **Commonwealth transportation funds. The Commissioner shall complete his work and shall submit**
74 **to the Governor and the General Assembly an executive summary and a report of his findings and**
75 **recommendations for publication as a House or Senate document no later than December 1, 2018.**
76 **The executive summary and report shall be submitted as provided in the procedures of the**
77 **Division of Legislative Automated Systems for the processing of legislative documents and reports**
78 **and shall be posted on the General Assembly's website.**