

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact §§ 58.1-2402, as it is currently effective and as it may become effective, 58.1-2403, and 58.1-2425, as it is currently effective and as it may become effective, of the Code of Virginia, relating to taxation of all-terrain vehicles, mopeds, and off-road motorcycles.

[H 1679]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-2402, as it is currently effective and as it may become effective, 58.1-2403, and 58.1-2425, as it is currently effective and as it may become effective, of the Code of Virginia are amended and reenacted as follows:

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

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

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

1. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015, 4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, sold by a Virginia dealer, or, *if sold by anyone other than a Virginia dealer and then, used or stored for use in the Commonwealth,* (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle. *In any city or county located within the Historic Triangle, as defined in § 58.1-603.2, an additional one percent tax shall be imposed in addition to the tax prescribed in clause (a) if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle.*

2. Three percent through midnight on June 30, 2013, four percent beginning July 1, 2013, through midnight on June 30, 2014, 4.05 percent beginning July 1, 2014, through midnight on June 30, 2015, 4.1 percent beginning July 1, 2015, through midnight on June 30, 2016, and 4.15 percent beginning on and after July 1, 2016, of the sale price of each motor vehicle, not sold in Virginia but used or stored for use in the Commonwealth; or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. If such vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale price of each such vehicle not sold in the Commonwealth but used or stored for use in the Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the Commonwealth (a) in a county or city located in a planning district described in § 58.1-603.1, the tax shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those set forth in clause (a), the tax shall be 5.3 percent of the sales price of each such vehicle. *In any city or county located within the Historic Triangle, as defined in § 58.1-603.2, an additional one percent tax shall be imposed in addition to the tax prescribed in clause (a) if such vehicle is an all-terrain vehicle, moped, or off-road motorcycle.* When any motor

57 vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia
58 six months or more after its acquisition, the tax shall be based on its current market value.

59 3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to
60 taxation at a rate exceeding zero percent shall be \$75, except as provided by those exemptions defined
61 in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle
62 subject to taxation under this chapter.

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

65 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of
66 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no
67 longer owned or used by the United States government or any governmental agency, or the
68 Commonwealth of Virginia or any political subdivision thereof, unless such vehicle is then rented, in
69 which case the tax imposed by § 58.1-1736 shall apply, subject to the exemptions provided in
70 § 58.1-1737. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this
71 chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax,
72 based on the current market value, when such vehicle is subsequently licensed to operate on the
73 highways of the Commonwealth.

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

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

81 **§ 58.1-2402. (Contingent effective date) Levy.**

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

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

88 1. Three percent of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a
89 manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such
90 manufactured home sold in the Commonwealth; if such vehicle is a mobile office as defined in
91 § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in the
92 Commonwealth; if such vehicle has a gross vehicle weight rating or gross combination weight rating of
93 26,001 pounds or more and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile
94 office as defined in § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not
95 designed or used to carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero
96 percent of the sale price of each such vehicle sold in the Commonwealth; and if such vehicle is an
97 all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100, ~~sold by a~~
98 ~~Virginia dealer, or sold by anyone other than a Virginia dealer and then used or stored for use in the~~
99 ~~Commonwealth, (a) in a county or city located in a planning district described in § 58.1-603.1, the tax~~
100 ~~shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those~~
101 ~~set forth in clause (a), the tax shall be 5.3 five percent of the sales price of each such vehicle; except~~
102 ~~that in any city or county located within the Historic Triangle, as defined in § 58.1-603.2, the tax shall~~
103 ~~be six percent of the sales price of each such vehicle.~~

104 2. Three percent of the sale price of each motor vehicle, or three percent of the sale price of each
105 manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as
106 defined in § 58.1-2401, not sold in Virginia but used or stored for use in the Commonwealth. If such
107 vehicle has a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more
108 and is neither (i) a manufactured home as defined in § 36-85.3, (ii) a mobile office as defined in
109 § 58.1-2401, (iii) a trailer or semitrailer as severally defined in § 46.2-100 that is not designed or used to
110 carry property, nor (iv) a vehicle registered under § 46.2-700, the tax shall be zero percent of the sale
111 price of each such vehicle not sold in the Commonwealth but used or stored for use in the
112 Commonwealth. If such vehicle is an all-terrain vehicle, moped, or off-road motorcycle, as those terms
113 are defined in § 46.2-100, not sold in the Commonwealth but used or stored for use in the
114 Commonwealth (a) in a county or city located in a planning district described in § 58.1-603.1, the tax
115 shall be six percent of the sales price of each such vehicle or (b) in any county or city other than those
116 set forth in clause (a), the tax shall be 5.3 five percent of the sales price of each such vehicle; except
117 that in any city or county located within the Historic Triangle, as defined in § 58.1-603.2, the tax shall

118 *be six percent of the sales price of each such vehicle.* When any motor vehicle or manufactured home
119 not sold in the Commonwealth is first used or stored for use in Virginia six months or more after its
120 acquisition, the tax shall be based on its current market value.

121 3. The minimum tax levied on the sale of any motor vehicle in the Commonwealth that is subject to
122 taxation at a rate exceeding zero percent shall be \$35, except as provided by those exemptions defined
123 in § 58.1-2403. This subdivision shall not apply to any all-terrain vehicle, moped, or off-road motorcycle
124 subject to taxation under this chapter.

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

127 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of
128 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no
129 longer owned or used by the United States government or any governmental agency, or the
130 Commonwealth of Virginia or any political subdivision thereof, unless such vehicle is then rented, in
131 which case the tax imposed by § 58.1-1736 shall apply, subject to the exemptions provided in
132 § 58.1-1737. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this
133 chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax,
134 based on the current market value, when such vehicle is subsequently licensed to operate on the
135 highways of the Commonwealth.

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

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

143 **§ 58.1-2403. Exemptions.**

144 No tax shall be imposed as provided in § 58.1-2402 if the vehicle is:

- 145 1. Sold to or used by the United States government or any governmental agency thereof;
- 146 2. Sold to or used by the Commonwealth of Virginia or any political subdivision thereof;
- 147 3. Registered in the name of a volunteer fire department or volunteer emergency medical services
148 agency not operated for profit;
- 149 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any
150 other recognized Indian tribe of the Commonwealth living on the tribal reservation;
- 151 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the
152 lienholder;
- 153 6. A manufactured home permanently attached to real estate and included in the sale of real estate;
- 154 7. A gift to the spouse, son, daughter, or parent of the transferor. With the exception of a gift to a
155 spouse, this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to
156 the transfer;
- 157 8. Transferred from an individual or partnership to a corporation or limited liability company or from
158 a corporation or limited liability company to an individual or partnership if the transfer is incidental to
159 the formation, organization or dissolution of a corporation or limited liability company in which the
160 individual or partnership holds the majority interest;
- 161 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent
162 corporation to a wholly owned subsidiary;
- 163 10. Being registered for the first time in the Commonwealth and the applicant holds a valid,
164 assignable title or registration issued to him by another state or a branch of the United States Armed
165 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less
166 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has
167 been purchased by the applicant within the last 12 months and the applicant is unable to provide
168 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the
169 fair market value of the vehicle at the time of registration in Virginia;
- 170 11. a. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale; or
171 b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for
172 any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes
173 of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are
174 defined in § 46.2-602.2;
- 175 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban
176 bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles,
177 one way, on the same day;
- 178 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole

179 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than
180 Virginia;

181 14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for
182 the use of a church conducted not for profit;

183 15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the
184 instruction of driver's education when such education is a part of such school's curriculum for full-time
185 students;

186 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to
187 § 15.2-2703, for the sole purpose of disposition when such company or pool has paid the registered
188 owner of such vehicle a total loss claim;

189 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of
190 foreign governments, their employees or agents, and members of their families, if such persons are
191 nationals of the state by which they are appointed and are not citizens of the United States;

192 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a
193 nonprofit hospital or a cooperative hospital service organization as described in § 501(e) of the United
194 States Internal Revenue Code;

195 19. A motor vehicle having seats for more than seven passengers and sold to a restricted common
196 carrier or common carrier of passengers;

197 20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic
198 or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital
199 service organization as described in § 501(e) of the United States Internal Revenue Code, or a nonprofit
200 corporation as defined in § 501(c)(3) of the Internal Revenue Code, established for research in, diagnosis
201 of, or therapy for human ailments;

202 21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501(c)(3)
203 of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such
204 organization;

205 22. A motor vehicle sold to an organization which is exempt from taxation under § 501(c)(3) of the
206 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,
207 medicines, and other necessities of life to, and providing shelter for, needy persons in the United States
208 and throughout the world;

209 23. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a
210 Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of
211 whether other beneficiaries of the trust may also be named in the trust instrument, when no
212 consideration has passed between the titleholder and the beneficiaries; and transferred to the original
213 titleholder from the trustees holding title to the motor vehicle;

214 24. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the
215 beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be
216 named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust
217 following the death of the grantor, when no consideration has passed between the grantor and the
218 beneficiaries in either case;

219 25. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if
220 the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with
221 respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of
222 the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has
223 been paid to the Commonwealth by the lessee purchasing the vehicle;

224 26. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will,
225 of such deceased person;

226 27. An all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100,
227 that is being:

228 *a. Is being* titled for the first time in the Commonwealth and that the applicant (i) has owned for
229 more than 12 months or (ii) has owned for less than 12 months and provides evidence of tax paid
230 pursuant to Chapter 6 (§ 58.1-600 et seq.); or

231 *b. Would otherwise be eligible for an agricultural exemption, as provided in § 58.1-609.2;*

232 28. A motor vehicle that is sold to an organization that is exempt from taxation under § 501(c)(3) of
233 the Internal Revenue Code and that is primarily used by the organization to transport to markets for sale
234 produce that is (i) produced by local farmers and (ii) sold by such farmers to the organization; or

235 29. Transferred from the purchaser of the vehicle back to the seller of the vehicle who (i) accepted
236 the vehicle pursuant to the Virginia Motor Vehicle Warranty Enforcement Act (§ 59.1-207.9 et seq.) or
237 (ii) otherwise agreed to accept the return of the vehicle due to a mechanical defect or failure and
238 refunded to the purchaser the purchase price of the vehicle. Except when the return of the vehicle is
239 pursuant to the Virginia Motor Vehicle Warranty Enforcement Act, the transfer shall occur within 45

240 days of the date of purchase.

241 **§ 58.1-2425. (Contingent expiration date) Disposition of revenues.**

242 A. Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury.
 243 Except as otherwise provided in this section, these funds shall constitute special funds within the
 244 Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall
 245 be available for use in subsequent years for the purposes set forth in this chapter, and any interest
 246 income on such funds shall accrue to these funds. The revenue so derived, after refunds have been
 247 deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the
 248 regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the
 249 provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the
 250 city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) effective
 251 January 1, 1987, an amount equivalent to the net additional revenues from the sales and use tax on
 252 motor vehicles generated by enactments of the 1986 Special Session of the Virginia General Assembly
 253 which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402, and this section shall be distributed to and
 254 paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special fund within the
 255 Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation
 256 Board for transportation needs; (iii) the net additional revenues generated by increases in the rates of
 257 taxes under subdivisions A 1 and A 2 of § 58.1-2402 and generated by the increase in the minimum tax
 258 under subdivision A 3 of § 58.1-2402 pursuant to enactments of a Session of the General Assembly held
 259 in 2013 shall be deposited by the Comptroller into the Highway Maintenance and Operating Fund
 260 established pursuant to § 33.2-1530; and (iv) all funds collected pursuant to the provisions of this
 261 chapter from all-terrain vehicles, mopeds, and off-road motorcycles, as those terms are defined in
 262 § 46.2-100, shall be distributed as follows: (a) an amount equal to a one percent tax shall be distributed
 263 in the same manner as the one percent local sales tax pursuant to § 58.1-605, except that this amount
 264 collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be
 265 distributed to the county or city in which the vehicle is used or stored for use; (b) an amount equal to a
 266 4.3 percent tax shall be distributed in the same manner as the state sales and use tax pursuant to
 267 §§ 58.1-638 and 58.1-638.3, except that this amount collected on sales by anyone other than a Virginia
 268 dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is
 269 used or stored for use; ~~and~~ (c) if the all-terrain vehicle, moped, or off-road motorcycle was purchased
 270 from a Virginia dealer, ~~or purchased from anyone other than a Virginia dealer or outside of Virginia and~~
 271 ~~then used or stored for use~~ in a county or city in a planning district described in § 58.1-603.1, an
 272 amount equal to a 0.7 percent tax shall be distributed pursuant to § 58.1-603.1; ~~except that this;~~ (d) if
 273 ~~the all-terrain vehicle, moped, or off-road motorcycle was purchased from anyone other than a Virginia~~
 274 ~~dealer or outside of Virginia and then used or stored for use in a county or city in a planning district~~
 275 ~~described in § 58.1-603.1, an amount collected on sales by anyone other than a Virginia dealer or on~~
 276 ~~sales outside of Virginia equal to a 0.7 percent tax shall be distributed to the county or city in which~~
 277 ~~the vehicle is used or stored for use; and (e) an amount equal to a one percent tax shall be distributed~~
 278 ~~in a manner consistent with the provisions of subsection 1 of § 58.1-638 for each all-terrain vehicle,~~
 279 ~~moped, and off-road motorcycle subject to the additional tax within the Historic Triangle under~~
 280 ~~subdivision A 1 of § 58.1-2402.~~

281 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation
 282 Trust Fund pursuant to clause (ii) of subsection A, an aggregate of 4.2 percent shall be set aside as the
 283 Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport
 284 Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year
 285 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund.

286 **§ 58.1-2425. (Contingent effective date) Disposition of revenues.**

287 A. (Effective until October 1, 2018) Funds collected hereunder by the Commissioner shall be
 288 forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall
 289 constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these
 290 funds at the end of the year shall be available for use in subsequent years for the purposes set forth in
 291 this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived,
 292 after refunds have been deducted, is hereby allocated for the construction, reconstruction and
 293 maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all
 294 funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in
 295 § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be
 296 situated as a dwelling; and (ii) effective January 1, 1987, an amount equivalent to the net additional
 297 revenues from the sales and use tax on motor vehicles generated by enactments of the 1986 Special
 298 Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402
 299 and this section shall be distributed to and paid into the Transportation Trust Fund established pursuant
 300 to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby

301 appropriated to the Commonwealth Transportation Board for transportation needs.

302 A. (Effective October 1, 2018) Funds collected hereunder by the Commissioner shall be forthwith
303 paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute
304 special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at
305 the end of the year shall be available for use in subsequent years for the purposes set forth in this
306 chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after
307 refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of
308 highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected
309 pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be
310 distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling;
311 (ii) effective January 1, 1987, an amount equivalent to the net additional revenues from the sales and
312 use tax on motor vehicles generated by enactments of the 1986 Special Session of the Virginia General
313 Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be
314 distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special
315 fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth
316 Transportation Board for transportation needs; and (iii) all funds collected pursuant to the provisions of
317 this chapter from all-terrain vehicles, mopeds, and off-road motorcycles, as those terms are defined in
318 § 46.2-100, shall be distributed as follows: (a) an amount equal to a one percent tax shall be distributed
319 in the same manner as the one percent local sales tax pursuant to § 58.1-605, except that this amount
320 collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be
321 distributed to the county or city in which the vehicle is used or stored for use ~~and~~; (b) an amount equal
322 to a four percent tax shall be distributed in the same manner as the state sales and use tax pursuant to
323 § 58.1-638, except that this amount collected on sales by anyone other than a Virginia dealer or on sales
324 outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for
325 use; *and (c) an amount equal to a one percent tax shall be distributed in a manner consistent with the*
326 *provisions of subsection I of § 58.1-638 for each all-terrain vehicle, moped, and off-road motorcycle*
327 *subject to the additional tax within the Historic Triangle under subdivision A 1 of § 58.1-2402.*

328 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation
329 Trust Fund pursuant to clause (ii) of subsection A of this section, an aggregate of 4.2 percent shall be
330 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the
331 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7
332 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit
333 Fund.

334 **2. That the provisions of this act related to the additional tax imposed on vehicles in the Historic**
335 **Triangle, as defined in § 58.1-603.2 of the Code of Virginia, shall be subject to the provisions of**
336 **the fourth enactment of Chapter 850 of the Acts of Assembly of 2018.**