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**HOUSE BILL NO. 1679****AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by the House Committee on Finance  
on January 21, 2019)

(Patron Prior to Substitute—Delegate Orrock)

**A BILL 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.****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 vehicle or manufactured home not sold in the Commonwealth is first used or stored for use in Virginia

60 six months or more after its acquisition, the tax shall be based on its current market value.

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

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

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

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

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

83 **§ 58.1-2402. (Contingent effective date) Levy.**

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

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

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

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

122 acquisition, the tax shall be based on its current market value.

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

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

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

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

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

145 **§ 58.1-2403. Exemptions.**

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

147 1. Sold to or used by the United States government or any governmental agency thereof;

148 2. Sold to or used by the Commonwealth of Virginia or any political subdivision thereof;

149 3. Registered in the name of a volunteer fire department or volunteer emergency medical services  
150 agency not operated for profit;

151 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any  
152 other recognized Indian tribe of the Commonwealth living on the tribal reservation;

153 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the  
154 lienholder;

155 6. A manufactured home permanently attached to real estate and included in the sale of real estate;

156 7. A gift to the spouse, son, daughter, or parent of the transferor. With the exception of a gift to a  
157 spouse, this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to  
158 the transfer;

159 8. Transferred from an individual or partnership to a corporation or limited liability company or from  
160 a corporation or limited liability company to an individual or partnership if the transfer is incidental to  
161 the formation, organization or dissolution of a corporation or limited liability company in which the  
162 individual or partnership holds the majority interest;

163 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent  
164 corporation to a wholly owned subsidiary;

165 10. Being registered for the first time in the Commonwealth and the applicant holds a valid,  
166 assignable title or registration issued to him by another state or a branch of the United States Armed  
167 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less  
168 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has  
169 been purchased by the applicant within the last 12 months and the applicant is unable to provide  
170 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the  
171 fair market value of the vehicle at the time of registration in Virginia;

172 11. a. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale; or

173 b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for  
174 any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes  
175 of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are  
176 defined in § 46.2-602.2;

177 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban  
178 bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles,  
179 one way, on the same day;

180 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole  
181 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than  
182 Virginia;

- 183        14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for  
184 the use of a church conducted not for profit;
- 185        15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the  
186 instruction of driver's education when such education is a part of such school's curriculum for full-time  
187 students;
- 188        16. Sold to an insurance company or local government group self-insurance pool, created pursuant to  
189 § 15.2-2703, for the sole purpose of disposition when such company or pool has paid the registered  
190 owner of such vehicle a total loss claim;
- 191        17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of  
192 foreign governments, their employees or agents, and members of their families, if such persons are  
193 nationals of the state by which they are appointed and are not citizens of the United States;
- 194        18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a  
195 nonprofit hospital or a cooperative hospital service organization as described in § 501(e) of the United  
196 States Internal Revenue Code;
- 197        19. A motor vehicle having seats for more than seven passengers and sold to a restricted common  
198 carrier or common carrier of passengers;
- 199        20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic  
200 or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital  
201 service organization as described in § 501(e) of the United States Internal Revenue Code, or a nonprofit  
202 corporation as defined in § 501(c)(3) of the Internal Revenue Code, established for research in, diagnosis  
203 of, or therapy for human ailments;
- 204        21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501(c)(3)  
205 of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such  
206 organization;
- 207        22. A motor vehicle sold to an organization which is exempt from taxation under § 501(c)(3) of the  
208 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,  
209 medicines, and other necessities of life to, and providing shelter for, needy persons in the United States  
210 and throughout the world;
- 211        23. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a  
212 Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of  
213 whether other beneficiaries of the trust may also be named in the trust instrument, when no  
214 consideration has passed between the titleholder and the beneficiaries; and transferred to the original  
215 titleholder from the trustees holding title to the motor vehicle;
- 216        24. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the  
217 beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be  
218 named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust  
219 following the death of the grantor, when no consideration has passed between the grantor and the  
220 beneficiaries in either case;
- 221        25. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if  
222 the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with  
223 respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of  
224 the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has  
225 been paid to the Commonwealth by the lessee purchasing the vehicle;
- 226        26. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will,  
227 of such deceased person;
- 228        27. An all-terrain vehicle, moped, or off-road motorcycle, as those terms are defined in § 46.2-100,  
229 that is *being*:
- 230            a. *Is being* titled for the first time in the Commonwealth and that the applicant (i) has owned for  
231 more than 12 months or (ii) has owned for less than 12 months and provides evidence of tax paid  
232 pursuant to Chapter 6 (§ 58.1-600 et seq.); or
- 233            b. *Would otherwise be eligible for an agricultural exemption, as provided in § 58.1-609.2;*
- 234        28. A motor vehicle that is sold to an organization that is exempt from taxation under § 501(c)(3) of  
235 the Internal Revenue Code and that is primarily used by the organization to transport to markets for sale  
236 produce that is (i) produced by local farmers and (ii) sold by such farmers to the organization; or
- 237        29. Transferred from the purchaser of the vehicle back to the seller of the vehicle who (i) accepted  
238 the vehicle pursuant to the Virginia Motor Vehicle Warranty Enforcement Act (§ 59.1-207.9 et seq.) or  
239 (ii) otherwise agreed to accept the return of the vehicle due to a mechanical defect or failure and  
240 refunded to the purchaser the purchase price of the vehicle. Except when the return of the vehicle is  
241 pursuant to the Virginia Motor Vehicle Warranty Enforcement Act, the transfer shall occur within 45  
242 days of the date of purchase.
- 243        **§ 58.1-2425. (Contingent expiration date) Disposition of revenues.**
- 244        A. Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury.

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

283 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
284 Trust Fund pursuant to clause (ii) of subsection A, an aggregate of 4.2 percent shall be set aside as the  
285 Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport  
286 Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year  
287 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund.

288 **§ 58.1-2425. (Contingent effective date) Disposition of revenues.**

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

304 A. (Effective October 1, 2018) Funds collected hereunder by the Commissioner shall be forthwith  
305 paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute

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

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

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