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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

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

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

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

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

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

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

§ 58.1-2403. Exemptions.

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

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

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

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

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

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

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

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

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

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