

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 527

An Act to amend and reenact § 58.1-2402 of the Code of Virginia and to amend Chapter 24 of Title 58.1 of the Code of Virginia by adding a section numbered 58.1-2423.1, relating to the Virginia Retail Sales and Use Tax Act and the Motor Vehicle Sales and Use Tax Act.

[H 67]

Approved April 9, 1994

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-2402 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 24 of Title 58.1 a section numbered 58.1-2423.1 as follows:

§ 58.1-2402. (Effective January 1, 1996) 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.

There shall also be levied a tax upon the rental of a motor vehicle in Virginia, without regard to whether such vehicle is required to be licensed by the Commonwealth. However, such tax shall not be levied upon a rental to a person for re-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 rate against the gross sales price or gross proceeds:

1. Three percent of the sale price of each motor vehicle sold in Virginia; however, if such vehicle is manufactured, *converted or retrofitted to use compressed natural gas, liquified natural gas, liquified petroleum gas, hydrogen or electricity clean special fuels, as defined in § 58.1-2101*, as a source of propulsion, the tax shall be one and one-half percent 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 ~~this~~ *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 ~~this~~ *the* Commonwealth.

2. Three percent of the sale price of each motor vehicle, 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~~ *the* Commonwealth. When any such motor vehicle or manufactured home 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. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle.

4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross proceeds shall be levied on the rental in Virginia of any daily rental passenger car, whether or not such car is required to be licensed in the Commonwealth.

5. The minimum tax levied on the sale of any motor vehicle in the Commonwealth shall be thirty-five dollars, except as provided by those exemptions defined in § 58.1-2403.

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. A motor vehicle subject to the tax imposed under subdivision A 3 shall be subject to the tax under either subdivision A 1 or A 2 when it ceases to be used for rental as an established business or part of an established business, or incidental or germane to such business.

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, rented or used by the United States government or any governmental agency, or the Commonwealth of Virginia or any political subdivision thereof. 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 this 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.

§ 58.1-2423.1. *Refund for vehicles using clean special fuels.*

If a motor vehicle is converted or retrofitted to use clean special fuels, as defined in § 58.1-2101, within six months of the date of titling in the Commonwealth, the vehicle owner shall be entitled to a

refund of one-half of the motor vehicle sales and use tax paid at the time of titling, provided titling occurred on or after January 1, 1996, and before January 1, 2000.

The claim for refund shall be in such form as the Commissioner shall prescribe and shall include documentation to verify that conversion of the motor vehicle took place within six months from the date of titling in the Commonwealth. It shall be filed with the Commissioner within twelve months from the date of payment of the tax.

2. That the provisions of this act shall be effective January 1, 1996, to December 31, 1999.