

LD0051168

**HOUSE BILL NO. 2472**

Offered January 23, 1995

*A BILL to amend and reenact § 58.1-1401 of the Code of Virginia, relating to watercraft sales and use tax definitions.*

\_\_\_\_\_  
Patron—Councill

\_\_\_\_\_  
Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-1401 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-1401. Definitions.

As used in this chapter, unless the context clearly shows otherwise, the term or phrase:

"Dealer" means any person who is in the regular business of selling watercraft. Any person who has held five or more watercraft for resale during the calendar year shall be deemed, for purposes of this chapter, a "dealer."

"Gross receipts" means the amount received for the lease, charter, or other use of any watercraft. The term shall include hourly rental, maintenance, and all other charges for use of any watercraft and charges for pilots crew, or other services, unless separately stated on the invoice. The term shall also include the amount by which the price estimated under § 58.1-1403 exceeds the charge actually made.

"Sale" means any transfer of ownership or possession of a watercraft by exchange or barter, conditional or otherwise, in any manner. The term shall also include (i) a transaction whereby possession is transferred but title is retained by the seller as security, (ii) any lease or rental for a period of time substantially equal to the remaining life of the watercraft, and (iii) any lease or rental requiring total payments by the lessee during the lease or rental period which substantially equals the value of the watercraft. The term shall not include a transfer of ownership or possession made to secure the payment of an obligation.

"Sale price" means the total price paid for a watercraft and all attachments thereon and accessories thereto, exclusive of any federal manufacturer's excise tax, without any allowance or deduction for trade-ins or unpaid liens or encumbrances.

"Watercraft" means any contrivance (i) used or which is capable of being used as a means of transportation on water; (ii) ~~which is fifteen feet or more in overall length measured along the centerline~~ and (iii) ~~which is powered by a motor in excess of twenty-five horsepower.~~ The term shall also include any sail-powered vessel (i) used or which is capable of being used as a means of transportation on water and (ii) which is in excess of eighteen feet in length measured along the centerline. The term shall not include a seaplane on the water or a watercraft which has a valid marine titling document issued by the United States Coast Guard.

INTRODUCED

HB2472