VIRGINIA ACTS OF ASSEMBLY -- 1996 SESSION

CHAPTER 536

An Act to amend and reenact § 58.1-3516 of the Code of Virginia, relating to proration of personal property tax.

[S 630]

Approved April 3, 1996

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3516 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3516. Proration of personal property tax.

A. The governing body of any county, city or town may provide by ordinance for the levy and collection of personal property tax on motor vehicles, trailers, *semitrailers,* and boats which have acquired a situs within such locality after the tax day for the balance of the tax year. Such tax shall be prorated on a monthly basis. Such ordinance may exclude boats *or motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce, or both,* from the property subject to proration of the personal property tax. For purposes of proration, a period of more than one-half of a month shall be counted as a full month and a period of less than one-half of a month shall not be counted.

Such ordinance shall also provide for relief from tax and a refund of the appropriate amount of tax already paid, which shall be prorated on a monthly basis, where any motor vehicle, trailer, *semitrailer,* or boat loses its situs within such locality after the tax day or after the day on which it acquires a situs (hereafter "situs day"). No refund shall be made if the motor vehicle, trailer, *semitrailer,* or boat acquires a situs within the Commonwealth in a nonprorating locality. When any person sells or otherwise transfers title to a motor vehicle, trailer, *semitrailer,* or boat with a situs in the locality after the tax day or situs day, the tax shall be relieved, prorated on a monthly basis, and the appropriate amount of tax already paid shall be refunded or credited, at the option of the taxpayer, against the tax due on any motor vehicle, trailer, *semitrailer,* or boat owned by the taxpayer during the same tax year by the treasurer of such locality. Such refund shall be made within thirty days of the date such tax is relieved. No refund of less than five dollars shall be issued to a taxpayer, unless specifically requested by the taxpayer. When any person, after the tax day or situs day, acquires a motor vehicle, trailer, *semitrailer,* or boat with a situs in the locality, the tax shall be assessed on the motor vehicle, trailer, or boat for the portion of the tax year during which the new owner owns the motor vehicle, trailer, *semitrailer,* or boat and it has a situs within the locality.

Any person who moves from a nonprorating locality to a prorating locality in a single tax year shall be entitled to a property tax credit in the prorating jurisdiction if (i) the person was liable for personal property taxes on a motor vehicle and has paid those taxes to a nonprorating locality and (ii) the owner replaces for any reason the original vehicle upon which taxes are due to the nonprorating locality for the same tax year. The prorating locality shall provide a credit against the total tax due on the replacement vehicle in an amount equal to the tax paid to the nonprorating locality for the period of time commencing with the disposition of the original vehicle and continuing through the close of the tax year in which the owner incurred tax liability to the nonprorating locality for the original vehicle.

B. Such ordinance shall provide for the filing of returns and payment of such tax. Such ordinance shall also exempt property from the levy of such personal property tax for any tax year or portion thereof during which the property was legally assessed by another jurisdiction in the Commonwealth and the tax paid. Such ordinance may provide that, notwithstanding any other date for billing and payment of local personal property tax, the locality may bill all personal property taxes assessed for a portion of the tax year less than the full year on or after December 15 of each year. The ordinance may further provide that such taxes shall be due not less than thirty days after the date of the tax bill. If the tax is not paid when due, the penalty and the interest otherwise provided for by § 58.1-3916 shall be imposed based on the established due date.