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## HOUSE BILL NO. 172

Offered January 15, 1998

A BILL to amend and reenact §§ 58.1-1402 and 58.1-1502 of the Code of Virginia, relating to sales tax on airplanes and watercraft.

\_\_\_\_\_  
Patron—Darner

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Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That §§ 58.1-1402 and 58.1-1502 of the Code of Virginia are amended and reenacted as follows:****§ 58.1-1402. Tax levied.**

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale of every watercraft sold in this Commonwealth, upon the use in this Commonwealth of any watercraft and upon the gross receipts from the lease, charter or other use of any watercraft by a registered dealer in this Commonwealth. The amount of the tax to be collected shall be determined by applying the following rate against the sale price, market value or gross receipts:

1. ~~Two~~ Four and one-half percent of the sale price of each watercraft sold in the Commonwealth.

2. ~~Two~~ Four and one-half percent of the sale price of each watercraft not sold in the Commonwealth but required to be titled in the Commonwealth. However, if the watercraft is first required to be titled in the Commonwealth six months or more after its acquisition, the tax shall be ~~two~~ four and one-half percent of the market value of such watercraft at the time it is titled.

3. ~~Two~~ Four and one-half percent of the gross receipts from the lease, charter or other use of any watercraft by a registered dealer.

The maximum tax levied under subdivisions 1 and 2 of this section shall be \$2,000. A transaction taxed under subdivision 1 shall not be taxed under subdivision 2 or 3, nor shall the same transaction be taxed more than once under either subdivision 1, 2 or 3. Use of any watercraft by a registered dealer resulting in taxation under subdivision 3 shall not exempt any subsequent sale or use of such watercraft from being taxed under subdivision 1 or 2 if applicable.

**§ 58.1-1502. Tax levied.**

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the retail sale of every aircraft sold in the Commonwealth and upon the use in the Commonwealth of any aircraft required to be licensed by the Department of Aviation pursuant to § 5.1-5. The amount of the tax to be collected shall be determined by the application of the following rate against the sale price or gross receipts:

1. ~~Two~~ Four and one-half percent of the sale price of each aircraft sold in the Commonwealth.

2. ~~Two~~ Four and one-half percent of the sale price of each aircraft not sold in the Commonwealth but required to be licensed for use in the Commonwealth. However, if the aircraft is licensed in the Commonwealth six months or more after its acquisition, the tax shall be ~~two~~ four and one-half percent of the market value of such aircraft at the time it is licensed or ~~two~~ four and one-half percent of the purchase price thereof, whichever is lower.

3. ~~Two~~ Four and one-half percent of the monthly gross receipts from the lease, charter or other use of any aircraft licensed for commercial use pursuant to § 5.1-5 (b) and held for sale by a dealer who has elected to be taxed under this ~~paragraph~~ subdivision as provided in § 58.1-1507.

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

An aircraft subject to the tax under subdivision 3 shall be subject to the tax under subdivision 1 or 2 immediately upon the revocation of the commercial use license for such aircraft.

INTRODUCED

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