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SENATE BILL NO. 489

Offered January 26, 1998

A BILL to amend and reenact § 58.1-2403 of the Code of Virginia, relating to exemptions from the motor vehicle sales and use tax.

Patron—Norment

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-2403 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-2403. Exemptions.

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

1. Sold to, rented or used by the United States government or any governmental agency thereof;
2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;
3. Registered in the name of a volunteer fire department or rescue squad 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 mobile home permanently attached to real estate and included in the sale of real estate;
7. A gift to the spouse, son, or daughter of the transferor. 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 from a corporation to an individual or partnership if the transfer is incidental to the formation, organization or dissolution of a corporation 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 this Commonwealth and the applicant holds a valid, assignable title or registration issued to him by another state and (i) has owned the vehicle for longer than twelve months or (ii) has owned the vehicle for less than twelve 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 twelve 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. Titled in a Virginia motor vehicle dealer's name for resale if dealer's license plates are displayed when the vehicle is operated upon the public highways;
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 forty miles, one way, on the same day;
13. Purchased in this 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;
14. A motor vehicle designed for the transportation of ten or more passengers, purchased by and for the use of a church conducted not for profit;
15. Loaned or leased to a private institution of learning not conducted for profit, for the sole purpose of use in the instruction of driver's education when such education is a part of such school's curriculum for full-time students;
16. Sold to an insurance company for the sole purpose of disposition when such company has paid the registered owner of such vehicle a total loss claim;
17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of foreign governments, their employees or agents, and members of their families, if such persons are nationals of the state by which they are appointed and are not citizens of the United States;
18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a hospital not conducted for profit or a cooperative hospital service organization as described in § 501 (e) of the United States Internal Revenue Code;
19. A motor vehicle having seats for more than seven passengers and sold to a restricted common carrier or common carrier of passengers;
20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic

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60 or therapeutic service, sold to, rented to, or used by a hospital not conducted for profit, or a cooperative
61 hospital service organization as described in § 501 (e) of the United States Internal Revenue Code, or a
62 nonprofit corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research
63 in, diagnosis of, or therapy for human ailments;

64 21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501 (c)
65 (3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such
66 organization;

67 22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the
68 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,
69 medicines and other necessities of life to, and providing shelter for, needy persons in the United States
70 and throughout the world; ~~or~~

71 23. A motor vehicle with a gross vehicle weight rating or gross combination weight rating of 26,001
72 pounds or more, in which case no tax shall be imposed pursuant to subdivisions 1 and 3 of subsection
73 A of § 58.1-2402; *or*

74 24. *Transferred to a person acquiring ownership of the vehicle if such person (i) was the lessee of*
75 *the vehicle at the time of such transfer and (ii) paid the tax levied pursuant to this chapter on the*
76 *vehicle when such person leased the vehicle.*