VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

CHAPTER 189

An Act to amend and reenact § 58.1-3523 of the Code of Virginia, relating to personal property tax relief.

[H 1851]

Approved March 17, 1999

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3523 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3523. Definitions.

As used in this chapter:

"Commissioner" means the Commissioner of the Department of Motor Vehicles.

"Commissioner of the revenue" means the same as that set forth in § 58.1-3100. For purposes of this chapter, in a county or city which does not have an elected commissioner of the revenue, "commissioner of the revenue" means the officer who is primarily responsible for assessing motor vehicles for the purposes of tangible personal property taxation.

"Department" means the Department of Motor Vehicles.

"Effective tax rate" means the tax rate imposed by a locality on tangible personal property on the applicable class of tangible personal property multiplied by the assessment ratio.

"Leased" means leased by a natural person as lessee and used for nonbusiness purposes.

"Percentage level" means the percentage of the reimbursable amount to be reimbursed or paid by the Commonwealth.

"Privately owned" means owned by a natural person and used for nonbusiness purposes.

"Qualifying vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county or city in which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In determining whether a vehicle is a qualifying vehicle, the commissioner of revenue may rely on the registration of such vehicle with the Department pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title 46.2.

"Reimbursable amount" means the value of a qualifying vehicle, up to the first $20,000 of value, multiplied by the effective tax rate in effect in the locality on *July 1, 1997, or* August 1, 1997, *whichever is greater*.

"Tangible personal property tax" means the tax levied pursuant to Article 1 (§ 58.1-3500 et seq.) of Chapter 35 of Title 58.1.

"Treasurer" means the same as that set forth in § 58.1-3123, when used herein with respect to a county or city. When used herein with respect to a town, "treasurer" means the officer who is primarily responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles by such town, and means the treasurer of the county or counties in which such town is located if such functions are performed for the town by the county treasurer or treasurers.

"Used for nonbusiness purposes" means the preponderance of use is for other than business purposes. The preponderance of use for other than business purposes shall be deemed not to be satisfied if: (i) the motor vehicle is expensed on the taxpayer's federal income tax return pursuant to Internal Revenue Code § 179; (ii) more than fifty percent of the basis for depreciation of the motor vehicle is depreciated for federal income tax purposes; or (iii) the allowable expense of total annual mileage in excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee.

"Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used by the locality as of August 1, 1997, in valuing the qualifying vehicle.

2. That an emergency exists and this act is in force from its passage and is effective retroactive to January 1, 1998.