

VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

CHAPTER 957

An Act to amend and reenact § 58.1-3734 of the Code of Virginia, relating to license tax on motor vehicle dealers.

[S 1028]

Approved April 7, 1999

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3734 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3734. License tax on motor vehicle dealers.

A. Notwithstanding the provisions of § 58.1-605, whenever any ~~county, city or town~~ *locality* imposes a license tax applicable to motor vehicle dealers measured by the gross receipts of such dealer, the dealer may separately state the amount of tax applicable to each sale of a motor vehicle and add such tax to the sales price of the motor vehicle. *It shall be unlawful for a motor vehicle dealer to collect an amount stated separately as such if such dealer knows the amount to be greater than the tax applicable to such sale.* The failure of such merchant to recover the tax from the purchaser shall not relieve such merchant from the obligation to pay the tax to the ~~county, city or town~~ *locality*. Any ~~county, city or town~~ *locality* may provide by ordinance for the quarterly collection of the gross receipt taxes on such dealers who separately state during the year such receipts are earned.

B. *A motor vehicle dealer who collects excess business license tax shall exercise due diligence to refund such tax, in excess of one dollar, to the purchaser within 120 days of discovering such overpayment, and such dealer shall produce evidence of such refund to the commissioner of the revenue or other local assessing officer upon the request of either. Any amounts that are not refunded to purchasers shall be remitted to the commissioner of the revenue or other local assessing officer. During a three-year period after receipt of such amounts, the commissioner of the revenue or other local assessing officer and the treasurer, as that term is defined in § 58.1-3123, shall refund such amounts as appropriate to purchasers who produce documentation verifying such overpayment. At the expiration of this period, the commissioner of the revenue or other local assessing officer shall consider these funds as additional business license tax. The locality may recover from the motor vehicle dealer its costs of mailing, printing, and other reasonably necessary administrative costs related to refunding such amounts to purchasers.*