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HOUSE BILL NO. 2502

Offered January 21, 1999

A BILL to amend and reenact § 58.1-3507 of the Code of Virginia, relating to local machinery and tools tax.

Patron—Ingram

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-3507 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3507. Certain machinery and tools segregated for local taxation only.

A. Machinery and tools, except machinery and equipment used by farm wineries as defined in § 4.1-100, used in a manufacturing, mining, processing or reprocessing, radio or television broadcasting, dairy, dry cleaning or laundry business shall be listed and are hereby segregated as a class of tangible personal property separate from all other classes of property and shall be subject to local taxation only. The rate of tax imposed by a county, city or town on such machinery and tools shall not exceed the rate imposed upon the general class of tangible personal property.

B. Machinery and tools segregated for local taxation pursuant to subsection A, other than energy conservation equipment of manufacturers, shall be valued by means of depreciated cost or a percentage or percentages of original total capitalized cost excluding capitalized interest; *however, machinery and equipment used in a coal mining business shall be valued as follows.*

YEAR 1 (Original Cost)x 80%=Assesed Value

YEAR 2 (Original Cost)x 60%=Assesed Value

YEAR 3 (Original Cost)x 40%=Assesed Value

YEAR 4 (Original Cost)x 30%=Assesed Value

YEAR 5 and thereafter (Original Cost)x 20%=Assesed Value

C. All motor vehicles which are registered pursuant to § 46.2-600 with the Department of Motor Vehicles and owned by persons engaged in those businesses set forth in subsection A shall be taxed as tangible personal property by the county, city or town in accordance with the provisions of this chapter. All other motor vehicles and delivery equipment owned by persons engaged in those businesses set forth in subsection A shall be included in and taxed as machinery and tools.

INTRODUCED

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