

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 1028]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3734 of the Code of Virginia is amended and reenacted as follows:**

8 § 58.1-3734. License tax on motor vehicle dealers.

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

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

REENROLLED

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