

DEPARTMENT OF TAXATION

2012 Fiscal Impact Statement

1. **Patron** Richard H. Stuart

2. **Bill Number** SB 534

3. **Committee** House Finance

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. **Title** Tangible Personal Property Tax; Separate
Classification for Vehicles Owned or Leased
by Volunteer Deputy Sheriffs

Second House:

☒ In Committee

☐ Substitute

☐ Enrolled

5. Summary/Purpose:

This bill would allow motor vehicles owned or leased by volunteer deputy sheriffs to be separately classified for purposes of the Tangible Personal Property Tax. Localities would be permitted to tax such property at a rate not to exceed the rate applicable to the general class of tangible personal property.

Under current law, motor vehicles owned or leased by persons who serve as auxiliary, reserve, or special deputy sheriffs are separately classified for purposes of the Tangible Personal Property Tax, and may be taxed at a lower rate than that of the general class of tangible personal property.

This bill would be effective for tax years beginning on or after January 1, 2013.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. Fiscal implications:

This bill would have no impact on state revenues. To the extent that a locality has reduced its tax rate for deputy sheriffs and would need to include volunteer sheriffs in the classification, this bill would result in a decrease in local tax revenues.

9. Specific agency or political subdivisions affected:

All localities

10. **Technical amendment necessary:** No.

11. Other comments:

Background

Currently, there are forty-one categories of property that are separately classified for purposes of the Tangible Personal Property Tax, thirty-six of which can be taxed at a rate not to exceed the general rate imposed on tangible personal property, four of which can be taxed at a rate not to exceed the general rate imposed on machinery and tools, and one that may be taxed at a rate equal to the general rate imposed on real property.

Under current law, there are 16 different classifications of tangible personal property for motor vehicles for rate purposes. Motor vehicles owned or leased by persons who serve as auxiliary, reserve, or special deputy sheriffs are included among the list of vehicles that are separately classified, and that can be taxed at a rate not to exceed the general rate imposed on tangible personal property. The motor vehicle classifications include:

- Antique motor vehicles;
- Privately owned vans with a seating capacity of not less than seven, nor more than 15;
- Motor vehicles specially equipped to provide transportation for physically handicapped individuals;
- Motor vehicles owned or leased by members of a volunteer rescue squad or volunteer fire department;
- Motor vehicles owned or leased by auxiliary members of a volunteer rescue squad or volunteer fire department;
- Motor vehicles owned by a nonprofit organizations and used to deliver meals to homebound persons or provide transportation to senior or handicapped citizens in the community;
- Privately owned camping trailers, and privately owned travel trailers used for recreational purposes or for the transportation of horses;
- One motor vehicle owned and regularly used by a disabled veteran;
- Motor vehicles owned or leased by persons who have been appointed to serve as auxiliary police officers;
- Motor vehicles which use clean special fuels;
- Motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;
- Privately owned motor homes used for recreational purposes only;
- Low-speed vehicles;
- Motor vehicles with a seating capacity of not less than 30 persons; and
- Motor vehicles powered solely by electricity.

Proposal

This bill would allow motor vehicles owned or leased by volunteer deputy sheriffs to be separately classified for purposes of the Tangible Personal Property Tax. Localities

would be permitted to tax such property at a rate not to exceed the rate applicable to the general class of tangible personal property.

This bill would be effective for tax years beginning on or after January 1, 2013.

Similar Legislation

House Bill 1148 is identical to this bill.

House Bill 743 would add motor vehicles primarily used by farmers in transporting farm animals or other farm products to the list of farm property that a locality may exempt or tax at a different rate than that applicable to the general class of tangible personal property.

cc : Secretary of Finance

Date: 1/29/2012 KP
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