

VIRGINIA ACTS OF ASSEMBLY -- 2013 SESSION

CHAPTER 84

An Act to amend and reenact § 58.1-1735 of the Code of Virginia, relating to the motor vehicle rental tax; exclusions from the tax.

[H 1993]

Approved March 5, 2013

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1735 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1735. Definitions.

As used in this article, unless the context requires a different meaning:

"Daily rental vehicle" means a motor vehicle, except a motorcycle or a manufactured home as defined in § 46.2-100, used for rental as defined in this section and for the transportation of persons or property, whether on its own structure or by drawing another vehicle or vehicles.

"Gross proceeds" means the charges made or voluntary contributions received for the rental of a motor vehicle where the rental or lease agreement is for a period of less than 12 months. *The term "gross proceeds" shall not include:*

- 1. Cash discounts allowed and actually taken on a rental contract;*
- 2. Finance charges, carrying charges, service charges, or interest from credit given on a rental contract;*
- 3. Charges for motor fuels;*
- 4. Charges for optional accidental death insurance;*
- 5. Taxes or fees levied or imposed pursuant to Chapter 24 (§ 58.1-2400 et seq.);*
- 6. Any violations, citations, or fines and related penalties and fees;*
- 7. Delivery charges, pickup charges, recovery charges, or drop charges;*
- 8. Pass-through charges;*
- 9. Transportation charges;*
- 10. Third-party service charges; or*
- 11. Refueling surcharges.*

"Mobile office" means an industrialized building unit not subject to federal regulation, which may be constructed on a chassis for the purpose of towing to the point of use and designed to be used with or without a permanent foundation, for commercial use and not for residential use; or two or more such units separately towable but designed to be joined together at the point of use to form a single commercial structure, and which may be designed for removal to, and installation or erection on, other sites.

"Motor vehicle" means every vehicle, except for a mobile office as herein defined, that is self-propelled or designed for self-propulsion and every vehicle drawn by or designed to be drawn by a motor vehicle, including manufactured homes as defined in § 46.2-100 and every device in, upon, and by which any person or property is, or can be, transported or drawn upon a highway, but excepting devices moved by human or animal power, devices used exclusively upon stationary rails or tracks, and vehicles, other than manufactured homes, used in the Commonwealth but not required to be licensed by the Commonwealth.

"Rental" means the transfer of the possession or use of a motor vehicle, whether or not the motor vehicle is required to be licensed by the Commonwealth, by a person for a consideration, without the transfer of the ownership of such motor vehicle, for a period of less than 12 months. Any fee arrangement between the holder of a permit issued by the Department of Motor Vehicles for taxicab services and the driver or drivers of such taxicabs shall not be deemed a rental under this section. Any fee arrangement between a licensed driver training school and a student in that school, whereby the student may use a vehicle owned or leased by the school to perform a road skills test administered by the Department of Motor Vehicles, shall not be deemed a rental under this section.

"Rental in the Commonwealth" means any rental where a person received delivery of a motor vehicle within the Commonwealth. The term "Commonwealth" shall include all land or interest in land within the Commonwealth owned by or conveyed to the United States of America.

"Rentor" means a person engaged in the rental of motor vehicles for consideration as defined in this section.

2. That the Tax Commissioner shall develop and publish guidelines implementing the provisions of this act. The guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

3. That the provisions of this act shall be effective for rental periods beginning on or after July 1, 2013.