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HOUSE BILL NO. 2313**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 12, 2013)

(Patron Prior to Substitute—Delegate Howell, W.J.)

A *BILL to amend and reenact §§ 33.1-23.03:1, 33.1-23.03:10, 46.2-694, as it is currently effective and as it may become effective, 46.2-694.1, as it is currently effective and as it may become effective, 46.2-697, as it is currently effective and as it may become effective, 46.2-702.1, 58.1-601, 58.1-602, 58.1-605, 58.1-606, 58.1-608.3, 58.1-611.1, 58.1-612, as it is currently effective and as it may become effective, 58.1-615, 58.1-625, as it is currently effective and as it shall become effective, 58.1-635, 58.1-638, 58.1-2217, 58.1-2249, 58.1-2289, as it is currently effective and as it may become effective, 58.1-2701, as it is currently effective and as it may become effective, and 58.1-2706 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 33.1-221.1:1.4, 46.2-702.1:1, 58.1-606.1, and 58.1-638.2 and by adding in Chapter 22 of Title 58.1 and Article numbered 8.1, consisting of a section numbered 58.1-2288.1, relating to revenues and appropriations of the Commonwealth.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.1-23.03:1, 33.1-23.03:10, 46.2-694, as it is currently effective and as it may become effective, 46.2-694.1, as it is currently effective and as it may become effective, 46.2-697, as it is currently effective and as it may become effective, 46.2-702.1, 58.1-601, 58.1-602, 58.1-605, 58.1-606, 58.1-608.3, 58.1-611.1, 58.1-612, as it is currently effective and as it may become effective, 58.1-615, 58.1-625, as it is currently effective and as it shall become effective, 58.1-635, 58.1-638, 58.1-2217, 58.1-2249, 58.1-2289, as it is currently effective and as it may become effective, 58.1-2701, as it is currently effective and as it may become effective, and 58.1-2706 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 33.1-221.1:1.4, 46.2-702.1:1, 58.1-606.1, and 58.1-638.2 and by adding in Chapter 22 of Title 58.1 and Article numbered 8.1, consisting of a section numbered 58.1-2288.1, as follows:

§ 33.1-23.03:1. Transportation Trust Fund.

There is hereby created in the Department of the Treasury a special nonreverting fund to be known as the Transportation Trust Fund, consisting of:

1. Funds remaining for highway construction purposes, among the several highway systems pursuant to § 33.1-23.1.

2. [Repealed.]

3. The additional revenues generated by enactments of Chapters 11, 12 and 15 of the Acts of Assembly, 1986 Special Session, and designated for this fund.

4. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title which are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to § 33.1-253 (Chesapeake Bay Bridge and Tunnel District) and to the Richmond Metropolitan Authority, established in Chapter 70 (§ 15.2-7000 et seq.) of Title 15.2, or if the appointed governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the Transportation Trust Fund to the extent required by law or the Board.

5. Tolls and other revenues derived from the Richmond-Petersburg Turnpike, provided that such funds shall be held in a separate subaccount of the Transportation Trust Fund and allocated as set forth in Chapter 574 of the Acts of Assembly of 1983 until expiration of that Act.

6. Such other funds as may be appropriated by the General Assembly from time to time, and designated for this fund.

7. All interest, dividends and appreciation which may accrue to the Transportation Trust Fund and the Highway Maintenance and Construction Fund, except that interest on funds becoming part of the Transportation Trust Fund under subdivision 1 and the Highway Maintenance and Construction Fund shall not become part of the Transportation Trust Fund until July 1, 1988.

8. All amounts required by contract to be paid over to the Transportation Trust Fund.

9. Concession payments paid to the Commonwealth by a private entity pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.).

10. *Revenues designated for this fund pursuant to § 58.1-638.2.*

§ 33.1-23.03:10. Tolls for use of Interstate Highway System components.

A. Notwithstanding any contrary provision of this title and in accordance with all applicable federal

60 and state statutes and requirements, the Commonwealth Transportation Board may impose and collect
61 tolls from all classes of vehicles in amounts established by the Board for the use of any component of
62 the Interstate Highway System within the Commonwealth. However, prior approval of the General
63 Assembly shall be required prior to the imposition and collection of any toll for use of ~~all or any~~
64 ~~portion of Interstate Route 81~~ *existing component of the Interstate Highway System within the*
65 *Commonwealth as of July 1, 2013, except those portions designated as high-occupancy toll lanes, as*
66 *defined in § 33.1-56.1, or high-occupancy vehicle lanes.* Such funds so collected shall be deposited into
67 the Transportation Trust Fund established pursuant to § 33.1-23.03:1, subject to allocation by the Board
68 as provided in this section.

69 B. The toll facilities authorized by this section shall be subject to the provisions of federal law for
70 the purpose of tolling motor vehicles to finance interstate construction and reconstruction, promote
71 efficiency in the use of highways, reduce traffic congestion, improve air quality and for such other
72 purposes as may be permitted by federal law.

73 C. In order to mitigate traffic congestion in the vicinity of the toll facilities, no toll facility shall be
74 operated without high-speed automated toll collection technology designed to allow motorists to travel
75 through the toll facilities without stopping to make payments. Nothing in this subsection shall be
76 construed to prohibit a toll facility from retaining means of non-automated toll collection in some lanes
77 of the facility. The Board shall also consider traffic congestion and mitigation thereof and the impact on
78 local traffic movement as factors in determining the location of the toll facilities authorized pursuant to
79 this section.

80 D. The revenues collected from each toll facility established pursuant to this section shall be
81 deposited into segregated subaccounts in the Transportation Trust Fund and may be allocated by the
82 Commonwealth Transportation Board as the Board deems appropriate to:

83 1. Pay or finance all or part of the costs of programs or projects, including without limitation the
84 costs of planning, operation, maintenance and improvements incurred in connection with the toll facility
85 provided that such allocations shall be limited to programs and projects that are reasonably related to or
86 benefit the users of the toll facility. The priorities of metropolitan planning organizations, planning
87 district commissions, local governments, and transportation corridors shall be considered by the Board in
88 making project allocations from such revenues deposited into the Transportation Trust Fund.

89 2. Repay funds from the Toll Facilities Revolving Account or the Transportation Partnership
90 Opportunity Fund.

91 3. Pay the Board's reasonable costs and expenses incurred in the administration and management of
92 the Toll Facility.

93 **§ 33.1-221.1:1.4. Distribution of additional revenues.**

94 *The revenues designated to be allocated to this section pursuant to § 46.2-702.1:1 and subsection G*
95 *of § 58.1-638 shall be distributed as follows:*

96 1. *Fifty million dollars shall be transferred annually to the Intercity Passenger Rail Operating and*
97 *Capital Fund to be allocated pursuant to § 33.1-23.03:2;*

98 2. *One hundred million dollars shall be transferred annually to the Commonwealth Mass Transit*
99 *Fund; and*

100 3. *Any remaining revenues shall be transferred to the Commonwealth Mass Transit Fund.*

101 **§ 46.2-694. (Contingent expiration date) Fees for vehicles designed and used for transportation**
102 **of passengers; weights used for computing fees; burden of proof.**

103 A. The annual registration fees for motor vehicles, trailers, and semitrailers designed and used for the
104 transportation of passengers on the highways in the Commonwealth are:

105 1. ~~Thirty-three~~ *Forty-eight* dollars for each private passenger car or motor home if the passenger car
106 or motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of
107 passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease
108 without a chauffeur.

109 2. ~~Thirty-eight~~ *Fifty-three* dollars for each passenger car or motor home which weighs more than
110 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is
111 not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

112 3. Thirty cents per 100 pounds or major fraction thereof for a private motor vehicle other than a
113 motorcycle with a normal seating capacity of more than 10 adults including the driver if the private
114 motor vehicle is not used for the transportation of passengers for compensation and is not kept or used
115 for rent or for hire or is not operated under a lease without a chauffeur. In no case shall the fee be less
116 than ~~\$23~~ *\$48* if the vehicle weighs 4,000 pounds or less or ~~\$28~~ *\$53* if the vehicle weighs more than
117 4,000 pounds.

118 4. Thirty cents per 100 pounds or major fraction thereof for a school bus. In no case shall the fee be
119 less than \$23 if the vehicle weighs 4,000 pounds or less or \$28 if the vehicle weighs more than 4,000
120 pounds.

121 5. Twenty-three dollars for each trailer or semitrailer designed for use as living quarters for human

beings.

6. Thirteen dollars plus \$0.30 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or interstate. Interstate common carriers of interstate passengers may elect to be licensed and pay the fees prescribed in subdivision 7 of this subsection on submission to the Commissioner of a declaration of operations and equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds.

7. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds. In lieu of the foregoing fee of \$0.70 per 100 pounds, a motor carrier of passengers, operating two or more vehicles both within and outside the Commonwealth and registered for insurance purposes with the Surface Transportation Board of the United States Department of Transportation, Federal Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the registration fees provided in this subsection so that the total registration fees to be paid for such vehicles of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in each instance is the estimated total mileage to be traveled by such vehicles during the license year for which such fees are paid, subject to the adjustment in accordance with an audit to be made by representatives of the Commissioner at the end of such license year, the expense of such audit to be borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less than \$33. For the purpose of determining such apportioned registration fees, only those motor vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion in determining the apportionment provided for herein.

8. Thirteen dollars plus \$0.80 per 100 pounds or major fraction thereof for each motor vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

9. Twenty-three dollars for a taxicab or other vehicle which is kept for rent or hire operated with a chauffeur for the transportation of passengers, and which operates or should operate under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

10. Eighteen dollars for a motorcycle, with or without a sidecar. To this fee shall be added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

11. Twenty-three dollars for a bus used exclusively for transportation to and from church school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the empty weight of the vehicle exceeds 4,000 pounds, the fee shall be \$28.

12. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for other passenger-carrying vehicles.

13. An additional fee of \$4.25 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12 of this subsection. All funds collected from \$4 of the \$4.25 fee shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical service purposes. The moneys in the special emergency medical services fund shall be distributed as follows:

a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention and training activities;

b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;

c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;

d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical Services for use in emergency medical services; and

e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such vehicle is registered, to provide funding for training of volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical services agencies and for the purchase of necessary equipment and supplies for use in such locality for licensed, nonprofit emergency medical and rescue services.

All revenues generated by the remaining \$0.25 of the \$4.25 fee approved by the 2008 Session of the General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for the costs associated with the certification and recertification training of emergency medical services personnel.

The Comptroller shall clearly designate on the warrant, check, or other means of transmitting these funds that such moneys are only to be used for purposes set forth in this subdivision. Such funds shall be in addition to any local appropriations and local governing bodies shall not use these funds to supplant local funds. Each local governing body shall report annually to the Board of Health on the use of the funds returned to it pursuant to this section. In any case in which the local governing body grants the funds to a regional emergency medical services council to be distributed to the licensed, nonprofit emergency medical and rescue services, the local governing body shall remain responsible for the proper use of the funds. If, at the end of any fiscal year, a report on the use of the funds returned to the locality pursuant to this section for that year has not been received from a local governing body, any funds due to that local governing body for the next fiscal year shall be retained until such time as the report has been submitted to the Board.

B. All motor vehicles, trailers, and semitrailers registered as provided in subsection B of § 46.2-646 shall pay a registration fee equal to one-twelfth of all fees required by subsection A of this section or § 46.2-697 for such motor vehicle, trailer, or semitrailer, computed to the nearest cent, multiplied by the number of months in the registration period for such motor vehicles, trailers, and semitrailers.

C. The manufacturer's shipping weight or scale weight shall be used for computing all fees required by this section to be based upon the weight of the vehicle.

D. The applicant for registration bears the burden of proof that the vehicle for which registration is sought is entitled by weight, design, and use to be registered at the fee tendered by the applicant to the Commissioner or to his authorized agent.

§ 46.2-694. (Contingent effective date) Fees for vehicles designed and used for transportation of passengers; weights used for computing fees; burden of proof.

A. The annual registration fees for motor vehicles, trailers, and semitrailers designed and used for the transportation of passengers on the highways in the Commonwealth are:

1. ~~Twenty-three~~ *Thirty-eight* dollars for each private passenger car or motor home if the passenger car or motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

2. ~~Twenty-eight~~ *Forty-three* dollars for each passenger car or motor home which weighs more than 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

3. Thirty cents per 100 pounds or major fraction thereof for a private motor vehicle other than a motorcycle with a normal seating capacity of more than 10 adults including the driver if the private motor vehicle is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire or is not operated under a lease without a chauffeur. In no case shall the fee be less than ~~\$23~~ *\$38* if the vehicle weighs 4,000 pounds or less or ~~\$28~~ *\$43* if the vehicle weighs more than 4,000 pounds.

4. Thirty cents per 100 pounds or major fraction thereof for a school bus. In no case shall the fee be less than \$23 if the vehicle weighs 4,000 pounds or less or \$28 if the vehicle weighs more than 4,000 pounds.

5. Twenty-three dollars for each trailer or semitrailer designed for use as living quarters for human beings.

6. Thirteen dollars plus \$0.30 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or interstate. Interstate common carriers of interstate passengers may elect to be licensed and pay the fees prescribed in subdivision 7 of this subsection on submission to the Commissioner of a declaration of operations and equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds.

7. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000

pounds. In lieu of the foregoing fee of \$0.70 per 100 pounds, a motor carrier of passengers, operating two or more vehicles both within and outside the Commonwealth and registered for insurance purposes with the Surface Transportation Board of the United States Department of Transportation, Federal Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the registration fees provided in this subsection so that the total registration fees to be paid for such vehicles of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in each instance is the estimated total mileage to be traveled by such vehicles during the license year for which such fees are paid, subject to the adjustment in accordance with an audit to be made by representatives of the Commissioner at the end of such license year, the expense of such audit to be borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less than \$33. For the purpose of determining such apportioned registration fees, only those motor vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion in determining the apportionment provided for herein.

8. Thirteen dollars plus \$0.80 per 100 pounds or major fraction thereof for each motor vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

9. Twenty-three dollars for a taxicab or other vehicle which is kept for rent or hire operated with a chauffeur for the transportation of passengers, and which operates or should operate under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

10. Eighteen dollars for a motorcycle, with or without a sidecar. To this fee shall be added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

11. Twenty-three dollars for a bus used exclusively for transportation to and from church school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the empty weight of the vehicle exceeds 4,000 pounds, the fee shall be \$28.

12. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for other passenger-carrying vehicles.

13. An additional fee of \$4.25 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12 of this subsection. All funds collected from \$4 of the \$4.25 fee shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical service purposes. The moneys in the special emergency medical services fund shall be distributed as follows:

a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention and training activities;

b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;

c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;

d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical Services for use in emergency medical services; and

e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such vehicle is registered, to provide funding for training of volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical services agencies and for the purchase of necessary equipment and supplies for use in such locality for licensed, nonprofit emergency medical and rescue services.

All revenues generated by the remaining \$0.25 of the \$4.25 fee approved by the 2008 Session of the General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for the costs associated with the certification and recertification training of emergency medical services

personnel.

The Comptroller shall clearly designate on the warrant, check, or other means of transmitting these funds that such moneys are only to be used for purposes set forth in this subdivision. Such funds shall be in addition to any local appropriations and local governing bodies shall not use these funds to supplant local funds. Each local governing body shall report annually to the Board of Health on the use of the funds returned to it pursuant to this section. In any case in which the local governing body grants the funds to a regional emergency medical services council to be distributed to the licensed, nonprofit emergency medical and rescue services, the local governing body shall remain responsible for the proper use of the funds. If, at the end of any fiscal year, a report on the use of the funds returned to the locality pursuant to this section for that year has not been received from a local governing body, any funds due to that local governing body for the next fiscal year shall be retained until such time as the report has been submitted to the Board.

B. All motor vehicles, trailers, and semitrailers registered as provided in subsection B of § 46.2-646 shall pay a registration fee equal to one-twelfth of all fees required by subsection A of this section or § 46.2-697 for such motor vehicle, trailer, or semitrailer, computed to the nearest cent, multiplied by the number of months in the registration period for such motor vehicles, trailers, and semitrailers.

C. The manufacturer's shipping weight or scale weight shall be used for computing all fees required by this section to be based upon the weight of the vehicle.

D. The applicant for registration bears the burden of proof that the vehicle for which registration is sought is entitled by weight, design, and use to be registered at the fee tendered by the applicant to the Commissioner or to his authorized agent.

§ 46.2-694.1. (Contingent expiration date) Fees for trailers and semitrailers not designed and used for transportation of passengers.

Unless otherwise specified in this title, the registration fees for trailers and semitrailers not designed and used for the transportation of passengers on the highways in the Commonwealth shall be as follows:

Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
0-1,500 lbs	\$18.00	\$36.00	\$70.00
	\$30.00	\$66.00	\$81.00
1,501-4,000 lbs	\$28.50	\$57.00	\$75.00
	\$43.50	\$87.00	\$102.00
4,001 lbs & above	\$40.00	\$80.00	\$100.00
	\$55.00	\$110.00	\$125.00

From the foregoing registration fees, the following amounts, regardless of weight category, shall be paid by the Department into the state treasury and set aside for the payment of the administrative costs of the safety inspection program provided for in Article 21 (§ 46.2-1157 et seq.) of Chapter 10 of this title: (i) from each one-year registration fee, ~~one dollar and fifty cents~~ \$1.50; (ii) from each two-year registration fee, ~~three dollars~~ \$3; and (iii) from each permanent registration fee, ~~four dollars~~ \$4.

§ 46.2-694.1. (Contingent effective date) Fees for trailers and semitrailers not designed and used for transportation of passengers.

Unless otherwise specified in this title, the registration fees for trailers and semitrailers not designed and used for the transportation of passengers on the highways in the Commonwealth shall be as follows:

Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
0-1,500 lbs	\$8.00	\$16.00	\$50.00
	\$23.00	\$46.00	\$61.00
1,501-4,000 lbs	\$18.50	\$37.00	\$50.00
	\$33.50	\$67.00	\$82.00
4,001 lbs & above	\$23.50	\$47.00	\$50.00
	\$38.50	\$77.00	\$92.00

From the foregoing registration fees, the following amounts, regardless of weight category, shall be paid by the Department into the state treasury and set aside for the payment of the administrative costs of the safety inspection program provided for in Article 21 (§ 46.2-1157 et seq.) of Chapter 10 of this title: (i) from each one-year registration fee, ~~one dollar and fifty cents~~ \$1.50; (ii) from each two-year registration fee, ~~three dollars~~ \$3; and (iii) from each permanent registration fee, ~~four dollars~~ \$4.

§ 46.2-697. (Contingent expiration date) Fees for vehicles not designed or used for transportation of passengers.

A. Except as otherwise provided in this section, the fee for registration of all motor vehicles not designed and used for the transportation of passengers shall be ~~\$23~~ \$38 plus an amount determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, according to the schedule of fees set forth in this section. For each 1,000 pounds of gross weight, or major fraction thereof, for which any such

vehicle is registered, there shall be paid to the Commissioner the fee indicated in the following schedule immediately opposite the weight group and under the classification established by the provisions of subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed. The fee for a pickup or panel truck shall be ~~\$33~~ \$48 if its gross weight is 4,000 pounds or less, and ~~\$38~~ \$53 if its gross weight is 4,001 pounds through 6,500 pounds. The fee shall be ~~\$39~~ \$54 for any motor vehicle with a gross weight of 6,501 pounds through 10,000 pounds.

Fee Per Thousand Pounds of Gross Weight		
Gross Weight	Private	For Rent or
Groups (pounds)	Carriers	For Hire Carriers
10,001 - 11,000	\$3.17	\$4.75
11,001 - 12,000	3.42	4.90
12,001 - 13,000	3.66	5.15
13,001 - 14,000	3.90	5.40
14,001 - 15,000	4.15	5.65
15,001 - 16,000	4.39	5.90
16,001 - 17,000	4.88	6.15
17,001 - 18,000	5.37	6.40
18,001 - 19,000	5.86	7.50
19,001 - 20,000	6.34	7.70
20,001 - 21,000	6.83	7.90
21,001 - 22,000	7.32	8.10
22,001 - 23,000	7.81	8.30
23,001 - 24,000	8.30	8.50
24,001 - 25,000	8.42	8.70
25,001 - 26,000	8.48	8.90
26,001 - 27,000	10.07	10.35
27,001 - 28,000	10.13	10.55
28,001 - 29,000	10.18	10.75
29,001 - 40,000	10.31	10.95
40,001 - 45,000	10.43	11.15
45,001 - 50,000	10.68	11.25
50,001 - 55,000	11.29	13.25
55,001 - 76,000	13.73	15.25
76,001 - 80,000	16.17	16.25

For all such motor vehicles exceeding a gross weight of 6,500 pounds, an additional fee of ~~five~~ ~~dollars~~ \$5 shall be imposed.

B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such case, the fee shall be ~~twenty-five~~ 25 percent of the annual fee plus ~~five dollars~~ \$5 for each quarter that the vehicle is registered.

C. When an owner elects to register and license a motor vehicle under subsection B of this section, the provisions of §§ 46.2-646 and 46.2-688 shall not apply.

D. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

E. All registrations and licenses issued for less than a full year shall expire on the date shown on the license and registration.

§ 46.2-697. (Contingent effective date) Fees for vehicles not designed or used for transportation of passengers.

A. Except as otherwise provided in this section, the fee for registration of all motor vehicles not designed and used for the transportation of passengers shall be ~~thirteen dollars~~ \$28 plus an amount determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, according to the schedule of fees set forth in this section. For each 1,000 pounds of gross weight, or major fraction thereof, for which any such vehicle is registered, there shall be paid to the Commissioner the fee indicated in the following schedule immediately opposite the weight group and under the classification established by the provisions of subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of

which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed. The fee for a pickup or panel truck shall be ~~twenty-three dollars~~ \$38 if its gross weight is 4,000 pounds or less, and ~~twenty-eight dollars~~ \$43 if its gross weight is 4,001 pounds through 6,500 pounds. The fee shall be ~~twenty-nine dollars~~ \$44 for any motor vehicle with a gross weight of 6,501 pounds through 10,000 pounds.

Fee Per Thousand Pounds of Gross Weight		
Gross Weight	Private	For Rent or
Groups (pounds)	Carriers	For Hire Carriers

10,001 - 11,000	\$2.60	\$4.75
11,001 - 12,000	2.80	4.90
12,001 - 13,000	3.00	5.15
13,001 - 14,000	3.20	5.40
14,001 - 15,000	3.40	5.65
15,001 - 16,000	3.60	5.90
16,001 - 17,000	4.00	6.15
17,001 - 18,000	4.40	6.40
18,001 - 19,000	4.80	7.50
19,001 - 20,000	5.20	7.70
20,001 - 21,000	5.60	7.90
21,001 - 22,000	6.00	8.10
22,001 - 23,000	6.40	8.30
23,001 - 24,000	6.80	8.50
24,001 - 25,000	6.90	8.70
25,001 - 26,000	6.95	8.90
26,001 - 27,000	8.25	10.35
27,001 - 28,000	8.30	10.55
28,001 - 29,000	8.35	10.75
29,001 - 40,000	8.45	10.95
40,001 - 45,000	8.55	11.15
45,001 - 50,000	8.75	11.25
50,001 - 55,000	8.25	13.25
55,001 - 76,000	11.25	15.25
76,001 - 80,000	13.25	16.25

For all such motor vehicles exceeding a gross weight of 6,500 pounds, an additional fee of ~~five dollars~~ \$5 shall be imposed.

B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such case, the fee shall be ~~twenty-five~~ 25 percent of the annual fee plus ~~five dollars~~ \$5 for each quarter that the vehicle is registered.

C. When an owner elects to register and license a motor vehicle under subsection B of this section, the provisions of §§ 46.2-646 and 46.2-688 shall not apply.

D. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

E. All registrations and licenses issued for less than a full year shall expire on the date shown on the license and registration.

§ 46.2-702.1. (Contingent expiration) Distribution of certain revenue.

A. Except as provided in subsection B, the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, and 46.2-697 pursuant to enactments of the 2007 Session of the General Assembly, shall be deposited into the Highway Maintenance and Operating Fund.

B. In the case of vehicles registered under the International Registration Plan, an amount that is approximately equal to the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, and 46.2-697 that are in regard to such vehicles pursuant to enactments of the 2007 Session of the General Assembly shall be deposited into the Highway and Maintenance Operating Fund.

C. For purposes of this ~~title~~ section, "net additional revenues" shall mean the additional revenues provided pursuant to enactments of the 2007 Session of the General Assembly minus any refunds or remittances required to be paid.

§ 46.2-702.1:1. Distribution of additional revenues.

A. Except as provided in subsection B, the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, and 46.2-697 pursuant to enactments of the 2013 Session of the General Assembly shall be distributed pursuant to the provisions of § 33.1-221.1:1.4.

B. In the case of vehicles registered under the International Registration Plan, an amount that is approximately equal to the net additional revenues generated by the increase in the registration fees under §§ 46.2-694, 46.2-694.1, and 46.2-697 that are in regard to such vehicles pursuant to enactments of the 2013 Session of the General Assembly shall be deposited pursuant to the provisions of subsection A.

C. For purposes of this section, "net additional revenues" means the additional revenues provided pursuant to enactments of the 2013 Session of the General Assembly minus any refunds or remittances required to be paid.

§ 58.1-601. Administration of chapter.

A. The Tax Commissioner shall administer and enforce the assessment and collection of the taxes and penalties imposed by this chapter, including the collection and administration of all state and local sales and use taxes imposed on remote sellers.

B. To comply with any provisions in any legislation enacted by the Congress of the United States that require states to simplify the administration of their sales and use taxes as a condition to require remote sellers to collect and remit their state and local sales taxes, the Tax Commissioner shall take all administrative actions he deems necessary to facilitate the Commonwealth's compliance with the minimum simplification requirements, including but not limited to: (i) providing adequate software and services to remote sellers and single and consolidated providers that identify the applicable destination rate, including the state and local sales tax rate (if any), to be applied on sales on which the Commonwealth imposes sales and use tax; (ii) providing certification procedures for both single providers and consolidated providers to make software and services available to remote sellers; (iii) ensuring that no more than one audit be performed or required for all state and local taxing jurisdictions within the Commonwealth; and (iv) requiring that no more than one sales and use tax return per month be filed with the Department of Taxation by any remote seller or any single or consolidated provider on behalf of such remote seller.

C. For purposes of evaluating the fiscal, economic and policy impact of sales and use tax exemptions, the Tax Commissioner may require from any person information relating to the evaluation of exempt purchases or sales, information relating to the qualification for exempt purchases, and information relating to direct or indirect government financial assistance which that the person receives. Such information shall be filed on forms prescribed by the Tax Commissioner.

§ 58.1-602. Definitions.

A. As used in this chapter, unless the context clearly shows otherwise, ~~the term or phrase:~~

"Advertising" means the planning, creating, or placing of advertising in newspapers, magazines, billboards, broadcasting and other media, including, without limitation, the providing of concept, writing, graphic design, mechanical art, photography and production supervision. Any person providing advertising as defined herein shall be deemed to be the user or consumer of all tangible personal property purchased for use in such advertising.

"Amplification, transmission and distribution equipment" means, but is not limited to, production, distribution, and other equipment used to provide Internet-access services, such as computer and communications equipment and software used for storing, processing and retrieving end-user subscribers' requests.

"Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either directly or indirectly.

"Cost price" means the actual cost of an item or article of tangible personal property computed in the same manner as the sales price as defined in this section without any deductions therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

"Custom program" means a computer program which is specifically designed and developed only for one customer. The combining of two or more prewritten programs does not constitute a custom computer program. A prewritten program that is modified to any degree remains a prewritten program and does not become custom.

"Distribution" means the transfer or delivery of tangible personal property for use, consumption, or storage by the distributee, and the use, consumption, or storage of tangible personal property by a person who has processed, manufactured, refined, or converted such property, but does not include the transfer or delivery of tangible personal property for resale or any use, consumption, or storage otherwise exempt under this chapter.

"Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of tangible personal property or for furnishing services, computed with the same deductions, where

545 applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use,
546 but not less frequently than monthly.

547 "Gross sales" means the sum total of all retail sales of tangible personal property or services as
548 defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" shall not
549 include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the
550 Internal Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the
551 article, or the Virginia retail sales or use tax, or any sales or use tax imposed by any county or city
552 under § 58.1-605, ~~or~~ 58.1-606, *or* 58.1-606.1.

553 "Import" and "imported" are words applicable to tangible personal property imported into the
554 Commonwealth from other states as well as from foreign countries, and "export" and "exported" are
555 words applicable to tangible personal property exported from the Commonwealth to other states as well
556 as to foreign countries.

557 "In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth
558 of Virginia and includes all territory within these limits owned by or ceded to the United States of
559 America.

560 "Integrated process," when used in relation to semiconductor manufacturing, means a process that
561 begins with the research or development of semiconductor products, equipment, or processes, includes
562 the handling and storage of raw materials at a plant site, and continues to the point that the product is
563 packaged for final sale and either shipped or conveyed to a warehouse. Without limiting the foregoing,
564 any semiconductor equipment, fuel, power, energy, supplies, or other tangible personal property shall be
565 deemed used as part of the integrated process if its use contributes, before, during, or after production,
566 to higher product quality, production yields, or process efficiencies. Except as otherwise provided by
567 law, such term shall not mean general maintenance or administration.

568 "Internet" means collectively, the myriad of computer and telecommunications facilities, which
569 comprise the interconnected world-wide network of computer networks.

570 "Internet service" means a service that enables users to access proprietary and other content,
571 information electronic mail, and the Internet as part of a package of services sold to end-user
572 subscribers.

573 "Lease or rental" means the leasing or renting of tangible personal property and the possession or use
574 thereof by the lessee or renter for a consideration, without transfer of the title to such property.

575 "Manufacturing, processing, refining, or conversion" includes the production line of the plant starting
576 with the handling and storage of raw materials at the plant site and continuing through the last step of
577 production where the product is finished or completed for sale and conveyed to a warehouse at the
578 production site, and also includes equipment and supplies used for production line testing and quality
579 control. The term "manufacturing" shall also include the necessary ancillary activities of newspaper and
580 magazine printing when such activities are performed by the publisher of any newspaper or magazine
581 for sale daily or regularly at average intervals not exceeding three months.

582 The determination whether any manufacturing, mining, processing, refining or conversion activity is
583 industrial in nature shall be made without regard to plant size, existence or size of finished product
584 inventory, degree of mechanization, amount of capital investment, number of employees or other factors
585 relating principally to the size of the business. Further, "industrial in nature" shall include, but not be
586 limited to, those businesses classified in codes 10 through 14 and 20 through 39 published in the
587 Standard Industrial Classification Manual for 1972 and any supplements issued thereafter.

588 "Modular building" means, but shall not be limited to, single and multifamily houses, apartment
589 units, commercial buildings, and permanent additions thereof, comprised of one or more sections that are
590 intended to become real property, primarily constructed at a location other than the permanent site, built
591 to comply with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the
592 Virginia Department of Housing and Community Development, and shipped with most permanent
593 components in place to the site of final assembly. For purposes of this chapter, a modular building shall
594 not include a mobile office as defined in § 58.1-2401 or any manufactured building subject to and
595 certified under the provisions of the National Manufactured Housing Construction and Safety Standards
596 Act of 1974 (42 U.S.C. § 5401 et seq.).

597 "Modular building manufacturer" means a person or corporation who owns or operates a
598 manufacturing facility and is engaged in the fabrication, construction and assembling of building
599 supplies and materials into modular buildings, as defined in this section, at a location other than at the
600 site where the modular building will be assembled on the permanent foundation and may or may not be
601 engaged in the process of affixing the modules to the foundation at the permanent site.

602 "Modular building retailer" means any person who purchases or acquires a modular building from a
603 modular building manufacturer, or from another person, for subsequent sale to a customer residing
604 within or outside of the Commonwealth, with or without installation of the modular building to the
605 foundation at the permanent site.

606 "Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of

the Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all applicable motor vehicle sales and use taxes have been paid.

"Occasional sale" means a sale of tangible personal property not held or used by a seller in the course of an activity for which he is required to hold a certificate of registration, including the sale or exchange of all or substantially all the assets of any business and the reorganization or liquidation of any business, provided such sale or exchange is not one of a series of sales and exchanges sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of registration.

"Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for purposes of this chapter only, shall also include Internet service regardless of whether the provider of such service is also a telephone common carrier.

"Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political subdivision, whether public or private, or quasi-public, and the plural of such term shall mean the same as the singular.

"Prewritten program" means a computer program that is prepared, held or existing for general or repeated sale or lease, including a computer program developed for in-house use and subsequently sold or leased to unrelated third parties.

"Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad rolling stock.

"Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and shall include any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any dealer making a sale for resale which is not in strict compliance with such regulations shall be personally liable for payment of the tax.

The terms "retail sale" and a "sale at retail" shall specifically include the following: (i) the sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for less than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration; (ii) sales of tangible personal property to persons for resale when because of the operation of the business, or its very nature, or the lack of a place of business in which to display a certificate of registration, or the lack of a place of business in which to keep records, or the lack of adequate records, or because such persons are minors or transients, or because such persons are engaged in essentially service businesses, or for any other reason there is likelihood that the Commonwealth will lose tax funds due to the difficulty of policing such business operations; and (iii) the separately stated charge made for automotive refinishing repair materials that are permanently applied to or affixed to a motor vehicle during its repair. The Tax Commissioner is authorized to promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this chapter on the cost price of such tangible personal property to such persons and may refuse to issue certificates of registration to such persons.

The term "transient" shall not include a purchaser of camping memberships, time-shares, condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an ongoing basis throughout its term shall not be deemed a transient; provided, however, that the term or time period involved is for seven years or more.

The terms "retail sale" and "sale at retail" shall not include a transfer of title to tangible personal property after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures goods.

"Retailer" means every person engaged in the business of making sales at retail, or for distribution, use, consumption, or storage to be used or consumed in the Commonwealth.

"Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a taxable service for a consideration, and includes the fabrication of tangible personal property for consumers who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or serving for a consideration of any tangible personal property consumed on the premises of the person furnishing, preparing, or serving such tangible personal property. A

668 transaction whereby the possession of property is transferred but the seller retains title as security for the
669 payment of the price shall be deemed a sale.

670 "Sales price" means the total amount for which tangible personal property or services are sold,
671 including any services that are a part of the sale, valued in money, whether paid in money or otherwise,
672 and includes any amount for which credit is given to the purchaser, consumer, or lessee by the dealer,
673 without any deduction therefrom on account of the cost of the property sold, the cost of materials used,
674 labor or service costs, losses or any other expenses whatsoever. "Sales price" shall not include (i) any
675 cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from
676 credit extended on sales of tangible personal property under conditional sale contracts or other
677 conditional contracts providing for deferred payments of the purchase price; (iii) separately stated local
678 property taxes collected; (iv) that portion of the amount paid by the purchaser as a discretionary gratuity
679 added to the price of a meal; or (v) that portion of the amount paid by the purchaser as a mandatory
680 gratuity or service charge added by a restaurant to the price of a meal, but only to the extent that such
681 mandatory gratuity or service charge does not exceed 20% of the price of the meal. Where used articles
682 are taken in trade, or in a series of trades as a credit or part payment on the sale of new or used
683 articles, the tax levied by this chapter shall be paid on the net difference between the sales price of the
684 new or used articles and the credit for the used articles.

685 "Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring,
686 lighting, equipment, and all other property used to reduce contamination or to control airflow,
687 temperature, humidity, vibration, or other environmental conditions required for the integrated process of
688 semiconductor manufacturing.

689 "Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii)
690 the related accessories, components, pedestals, bases, or foundations used in connection with the
691 operation of the equipment, without regard to the proximity to the equipment, the method of attachment,
692 or whether the equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other
693 property or supplies used to install, test, calibrate or recalibrate, characterize, condition, measure, or
694 maintain the equipment and settings thereof; and (iv) equipment and supplies used for quality control
695 testing of product, materials, equipment, or processes; or the measurement of equipment performance or
696 production parameters regardless of where or when the quality control, testing, or measuring activity
697 takes place, how the activity affects the operation of equipment, or whether the equipment and supplies
698 come into contact with the product.

699 "Storage" means any keeping or retention of tangible personal property for use, consumption or
700 distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of
701 business.

702 "Tangible personal property" means personal property which may be seen, weighed, measured, felt,
703 or touched, or is in any other manner perceptible to the senses. The term "tangible personal property"
704 shall not include stocks, bonds, notes, insurance or other obligations or securities. The term "tangible
705 personal property" shall include (i) telephone calling cards upon their initial sale, which shall be exempt
706 from all other state and local utility taxes, and (ii) manufactured signs.

707 "Use" means the exercise of any right or power over tangible personal property incident to the
708 ownership thereof, except that it does not include the sale at retail of that property in the regular course
709 of business. The term does not include the exercise of any right or power, including use, distribution, or
710 storage, over any tangible personal property sold to a nonresident donor for delivery outside of the
711 Commonwealth to a nonresident recipient pursuant to an order placed by the donor from outside the
712 Commonwealth via mail or telephone. The term does not include any sale determined to be a gift
713 transaction, subject to tax under § 58.1-604.6.

714 "Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as herein
715 defined.

716 "Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to
717 those activities which are an integral part of the production of a product, including all steps of an
718 integrated manufacturing or mining process, but not including ancillary activities such as general
719 maintenance or administration. When used in relation to mining, it shall refer to the activities specified
720 above, and in addition, any reclamation activity of the land previously mined by the mining company
721 required by state or federal law.

722 "Video programmer" means a person or entity that provides video programming to end-user
723 subscribers.

724 "Video programming" means video and/or information programming provided by or generally
725 considered comparable to programming provided by a cable operator including, but not limited to,
726 Internet service.

727 *B. Notwithstanding the definitions in subsection A, to the extent that conformity to any remote*
728 *collection authority legislation enacted by the Congress of the United States shall so require, the words*
729 *and terms used in this chapter related to the minimum simplification requirements shall have the same*

meaning as provided in such federal legislation.

§ 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section.

B. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

C. The council of any city and the governing body of any county desiring to impose a local sales tax under this section may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least 60 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

D. Prior to any change in the rate of the local sales and use tax, the Tax Commissioner shall provide remote sellers and single and consolidated providers with at least 30 days' notice. Any change in the rate of local sales and use tax shall only become effective on the first day of a calendar quarter. Failure to provide notice pursuant to this section shall require the Commonwealth and the locality to hold the remote seller or single or consolidated provider harmless for collecting the tax at the immediately preceding effective rate for any period of time prior to 30 days after notification is provided.

E. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

~~E.~~ F. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

~~F.~~ G. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payments for the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

~~G.~~ H. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

~~H.~~ I. One-half of such payments to counties are subject to the further qualification, other than as set

791 out in subsection ~~G~~ ^{above} ~~H~~, that in any county wherein is situated any incorporated town not
792 constituting a separate special school district which has complied with its charter provisions providing
793 for the election of its council and mayor for a period of at least four years immediately prior to the
794 adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such
795 town for general governmental purposes the proper proportionate amount received by him in the ratio
796 that the school age population of each such town bears to the school age population of the entire
797 county, based on the latest estimate provided by the Weldon Cooper Center for Public Service. The
798 preceding requirement pertaining to the time interval between compliance with election provisions and
799 adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any
800 such town not constituting a separate special school district is increased by the annexation of territory or
801 otherwise since the last estimate of school age population provided by the Weldon Cooper Center for
802 Public Service, such increase shall, for the purposes of this section, be added to the school age
803 population of such town as shown by the last such estimate and a proper reduction made in the school
804 age population of the county or counties from which the annexed territory was acquired.

805 ~~I~~ ^J. Notwithstanding the provisions of subsection ~~H~~ ^I, the board of supervisors of a county may, in
806 its discretion, appropriate funds to any incorporated town not constituting a separate school district
807 within such county which has not complied with the provisions of its charter relating to the elections of
808 its council and mayor, an amount not to exceed the amount it would have received from the tax
809 imposed by this chapter if such election had been held.

810 ~~J~~ ^K. It is further provided that if any incorporated town which would otherwise be eligible to receive
811 funds from the county treasurer under subsection ~~G~~ ^{or H of this section or I} be located in a county
812 which does not levy a general retail sales tax under the provisions of this law, such town may levy a
813 general retail sales tax at the rate of one percent to provide revenue for the general fund of the town,
814 subject to all the provisions of this section generally applicable to cities and counties. Any tax levied
815 under the authority of this subsection shall in no case continue to be levied on or after the effective date
816 of a county ordinance imposing a general retail sales tax in the county within which such town is
817 located.

818 **§ 58.1-606. To what extent and under what conditions cities and counties may levy local use**
819 **tax; collection thereof by Commonwealth and return of revenues to the cities and counties.**

820 A. The council of any city and the governing body of any county which has levied or may hereafter
821 levy a city or county sales tax under § 58.1-605 may levy a city or county use tax at the rate of one
822 percent to provide revenue for the general fund of such city or county. Such tax shall be added to the
823 rate of the state use tax imposed by this chapter and shall be subject to all the provisions of this chapter,
824 and all amendments thereof, and the rules and regulations published with respect thereto, except that no
825 discount under § 58.1-622 shall be allowed on a local use tax.

826 B. The council of any city and the governing body of any county desiring to impose a local use tax
827 under this section may do so in the manner following:

828 1. If the city or county has previously imposed the local sales tax authorized by § 58.1-605, the local
829 use tax may be imposed by the council or governing body by the adoption of a resolution by a majority
830 of all the members thereof, by a recorded yea and nay vote, stating its purpose and referring to this
831 section, and providing that the local use tax shall become effective on the first day of a month at least
832 60 days after the adoption of the resolution. A certified copy of such resolution shall be forwarded to
833 the Tax Commissioner so that it will be received within five days after its adoption. The resolution
834 authorized by this paragraph may be adopted in the manner stated notwithstanding any other provision
835 of law, including any charter provision.

836 2. If the city or county has not imposed the local sales tax authorized by § 58.1-605, the local use
837 tax may be imposed by ordinance together with the local sales tax in the manner set out in subsections
838 B and C of § 58.1-605.

839 C. Any local use tax levied under this section shall be administered and collected by the Tax
840 Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

841 D. *Prior to any change in the rate of the local sales and use tax, the Tax Commissioner shall*
842 *provide remote sellers and single and consolidated providers with at least 30 days' notice. Any change*
843 *in the rate of local sales and use tax shall only become effective on the first day of a calendar quarter.*
844 *Failure to provide notice pursuant to this section shall require the Commonwealth and the locality to*
845 *hold the remote seller or single or consolidated provider harmless for collecting the tax at the*
846 *immediately preceding effective rate for any period of time prior to 30 days after notification is*
847 *provided.*

848 E. The local use tax authorized by this section shall not apply to transactions to which the sales tax
849 applies, the situs of which for state and local sales tax purposes is the city or county of location of each
850 place of business of every dealer paying the tax to the Commonwealth without regard to the city or
851 county of possible use by the purchasers. However, the local use tax authorized by this section shall
852 apply to tangible personal property purchased without this Commonwealth for use or consumption

within the city or county imposing the local use tax, or stored within the city or county for use or consumption, where the property would have been subject to the sales tax if it had been purchased within this Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is without this Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

E. F. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers for remittance to this Commonwealth shall, to the extent reasonably practicable, in filing their monthly use tax returns with the Tax Commissioner, break down their shipments into this Commonwealth by cities and counties so as to show the city or county of destination. If, however, the out-of-state dealer is unable accurately to assign any shipment to a particular city or county, the local use tax on the tangible personal property involved shall be remitted to the Commonwealth by such dealer without attempting to assign the shipment to any city or county.

F. G. Local use tax revenue shall be distributed among the cities and counties for which it is collected, respectively, as shown by the records of the Department, and the procedure shall be the same as that prescribed for distribution of local sales tax revenue under § 58.1-605. The local use tax revenue that is not accurately assignable to a particular city or county shall be distributed monthly by the appropriate state authorities among the cities and counties in this Commonwealth imposing the local use tax upon the basis of taxable retail sales in the respective cities and counties in which the local sales and use tax was in effect in the taxable month involved, as shown by the records of the Department, and computed with respect to taxable retail sales as reflected by the amounts of the local sales tax revenue distributed among such cities and counties, respectively, in the month of distribution. Notwithstanding any other provision of this section, the Tax Commissioner shall develop a uniform method to distribute local use tax. Any significant changes to the method of local use tax distribution shall be phased in over a five-year period. Distribution information shall be shared with the affected localities prior to implementation of the changes.

G. H. All local use tax revenue shall be used, applied or disbursed by the cities and counties as provided in § 58.1-605 with respect to local sales tax revenue.

§ 58.1-606.1. Additional local sales and use tax authorized in certain localities.

A. In addition to the authority set forth pursuant to § 58.1-603, a county or city may levy an additional local sales tax at a rate not to exceed one percent, to be used for transportation pursuant to subsection F. Such tax shall be added to the rate of the state sales and use tax imposed pursuant to §§ 58.1-603, 58.1-604, 58.1-605, and 58.1-606, and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax imposed pursuant to this section.

B. In addition to the authority set forth pursuant to § 58.1-604, a county or city may levy an additional local use tax at a rate not to exceed one percent, to be used for transportation pursuant to subsection F. Such tax shall be added to the rate of the state sales and use tax imposed pursuant to §§ 58.1-603, 58.1-604, 58.1-605, and 58.1-606 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax imposed pursuant to this section.

C. The council of any city and the governing body of any county desiring to impose the local sales and use tax authorized by this section shall adopt an ordinance stating its purpose and referring to this section. Such ordinance shall be effective on the first day of the next calendar quarter that is at least 60 days after the ordinance is adopted. A certified copy of such ordinance shall be forwarded to the Tax Commissioner within five days of adoption of such ordinance.

D. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales and use tax.

E. All local sales and use tax revenues collected by the Tax Commissioner under this section shall be paid into the state treasury and credited to a special fund hereby created on the books of the Comptroller called "Collections of Additional Local Sales and Use Taxes." Such local sales and use tax revenues shall be credited to the account of each particular city or county levying a local sales and use tax pursuant to this section in same manner as described in § 58.1-605.

F. Any revenues generated pursuant to this section shall be used by the county or city solely for local or regional road, rail, or transit projects. Such revenues may also be used for toll abatement by the county or city. No expenditures of revenue generated by a county or city shall be considered in allocating highway maintenance and construction funds under § 33.1-23.1 or apportioning Transportation Trust Funds under § 58.1-638, but shall be in addition thereto.

G. Prior to the imposition of the local sales and use tax authorized pursuant to this section, or prior to any change in the rate of the local sales and use tax authorized pursuant to this section, the Tax

914 *Commissioner shall provide remote sellers and single and consolidated providers with at least 30 days'*
915 *notice. Any change in the rate of local sales and use tax shall only become effective on the first day of*
916 *a calendar quarter. Failure to provide notice pursuant to this section shall require the Commonwealth*
917 *and the locality to hold the remote seller or single or consolidated provider harmless for collecting the*
918 *tax at the immediately preceding effective rate for any period of time prior to 30 days after notification*
919 *is provided.*

920 **§ 58.1-608.3. Entitlement to certain sales tax revenues.**

921 A. As used in this section, the following words and terms have the following meanings, unless some
922 other meaning is plainly intended:

923 "Bonds" means any obligations of a municipality for the payment of money.

924 "Cost," as applied to any public facility or to extensions or additions to any public facility, includes:

925 (i) the purchase price of any public facility acquired by the municipality or the cost of acquiring all of
926 the capital stock of the corporation owning the public facility and the amount to be paid to discharge
927 any obligations in order to vest title to the public facility or any part of it in the municipality; (ii)
928 expenses incident to determining the feasibility or practicability of the public facility; (iii) the cost of
929 plans and specifications, surveys and estimates of costs and of revenues; (iv) the cost of all land,
930 property, rights, easements and franchises acquired; (v) the cost of improvements, property or
931 equipment; (vi) the cost of engineering, legal and other professional services; (vii) the cost of
932 construction or reconstruction; (viii) the cost of all labor, materials, machinery and equipment; (ix)
933 financing charges; (x) interest before and during construction and for up to one year after completion of
934 construction; (xi) start-up costs and operating capital; (xii) payments by a municipality of its share of the
935 cost of any multijurisdictional public facility; (xiii) administrative expense; (xiv) any amounts to be
936 deposited to reserve or replacement funds; and (xv) other expenses as may be necessary or incident to
937 the financing of the public facility. Any obligation or expense incurred by the public facility in
938 connection with any of the foregoing items of cost may be regarded as a part of the cost.

939 "Municipality" means any county, city, town, authority, commission, or other public entity.

940 "Public facility" means (i) any auditorium, coliseum, convention center, sports facility that is
941 designed for use primarily as a baseball stadium for a minor league professional baseball affiliated team
942 or structures attached thereto, or conference center, which is owned by a Virginia county, city, town,
943 authority, or other public entity and where exhibits, meetings, conferences, conventions, seminars, or
944 similar public events may be conducted; (ii) any hotel which is owned by a foundation whose sole
945 purpose is to benefit a state-supported university and which is attached to and is an integral part of such
946 facility, together with any lands reasonably necessary for the conduct of the operation of such events;
947 (iii) any hotel which is attached to and is an integral part of such facility; or (iv) any hotel that is
948 adjacent to a convention center owned by a public entity and where the hotel owner enters into a
949 public-private partnership whereby the locality contributes infrastructure, real property, or conference
950 space. However, such public facility must be located in the City of Hampton, City of Lynchburg, City
951 of Newport News, City of Norfolk, City of Portsmouth, City of Richmond, City of Roanoke, City of
952 Salem, City of Staunton, City of Suffolk, City of Virginia Beach, or City of Winchester. Any property,
953 real, personal, or mixed, which is necessary or desirable in connection with any such auditorium,
954 coliseum, convention center, baseball stadium or conference center, including, without limitation,
955 facilities for food preparation and serving, parking facilities, and administration offices, is encompassed
956 within this definition. However, structures commonly referred to as "shopping centers" or "malls" shall
957 not constitute a public facility hereunder. A public facility shall not include residential condominiums,
958 townhomes, or other residential units. In addition, only a new public facility, or a public facility which
959 will undergo a substantial and significant renovation or expansion, shall be eligible under subsection C
960 of this section. A new public facility is one whose construction began after December 31, 1991. A
961 substantial and significant renovation entails a project whose cost is at least 50 percent of the original
962 cost of the facility being renovated and shall have begun after December 31, 1991. A substantial and
963 significant expansion entails an increase in floor space of at least 50 percent over that existing in the
964 preexisting facility and shall have begun after December 31, 1991; or an increase in floor space of at
965 least 10 percent over that existing in a public facility that qualified as such under this section and was
966 constructed after December 31, 1991.

967 "Sales tax revenues" means such tax collections realized under the Virginia Retail Sales and Use Tax
968 Act (§ 58.1-600 et seq.) of this title, as limited herein. "Sales tax revenues" does not include the revenue
969 generated by the ~~one-half~~ 0.5 percent sales and use tax increase enacted by the 1986 Special Session of
970 the General Assembly which shall be paid to the Transportation Trust Fund as defined in § 33.1-23.03:1,
971 ~~nor shall it include the one 1.0 percent of the state sales and use tax revenue distributed among the~~
972 ~~counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school~~
973 ~~age population, or the revenue generated pursuant to § 58.1-606.1.~~ For a public facility that is a sports
974 facility, "sales tax revenues" shall include such revenues generated by transactions taking place upon the
975 premises of a baseball stadium or structures attached thereto.

B. Notwithstanding the definition of "public facility" in subsection A, a development project that meets the requirements for a "development of regional impact" set forth herein shall be deemed to be a public facility under the provisions of this section. The locality in which the public facility is located shall be entitled to all sales tax revenues generated by transactions taking place at such public facility solely to pay the cost of any bonds issued to pay the cost, or portion thereof, of such public facility pursuant to subsection C. For purposes of this subsection, the development of regional impact must be located in the City of Bristol.

For purposes of this subsection, a "development of regional impact" means a development project (i) towards which the locality contributes infrastructure or real property as part of a public-private partnership with the developer that is equal to at least 20 percent of the aggregate cost of development, (ii) that is reasonably expected to require a capital investment of at least \$50 million, (iii) that is reasonably expected to generate at least \$5 million annually in state sales and use tax revenue from sales within the development, (iv) that is reasonably expected to attract at least one million visitors annually, (v) that is reasonably expected to create at least 2,000 permanent jobs, (vi) that is located in a locality that had a rate of unemployment at least three percentage points higher than the statewide average in November 2011, and (vii) that is located in a locality that is adjacent to a state that has adopted a Border Region Retail Tourism Development District Act. Within 30 days from the date of notification by a locality that it intends to contribute infrastructure or real property as part of a public-private partnership with the developer of a development of regional impact, the Department of Taxation shall review the findings of the locality with respect to clauses (i) through (vi) and shall file a written report with the Chairmen of the House Committee on Finance, the House Committee on Appropriations, and the Senate Committee on Finance.

C. Any municipality which has issued bonds (i) after December 31, 1991, but before January 1, 1996, (ii) on or after January 1, 1998, but before July 1, 1999, (iii) on or after January 1, 1999, but before July 1, 2001, (iv) on or after July 1, 2000, but before July 1, 2003, (v) on or after July 1, 2001, but before July 1, 2005, (vi) on or after July 1, 2004, but before July 1, 2007, (vii) on or after July 1, 2009, but before July 1, 2012, or (viii) on or after January 1, 2011, but prior to July 1, 2015, to pay the cost, or portion thereof, of any public facility shall be entitled to all sales tax revenues generated by transactions taking place in such public facility. Such entitlement shall continue for the lifetime of such bonds, which entitlement shall not exceed 35 years, and all such sales tax revenues shall be applied to repayment of the bonds. The State Comptroller shall remit such sales tax revenues to the municipality on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues derived from the public facility. The State Comptroller shall make such remittances to eligible municipalities, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). No such remittances shall be made until construction is completed and, in the case of a renovation or expansion, until the governing body of the municipality has certified that the renovation or expansion is completed.

D. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth of Virginia, or any of its revenues, for the payment of any bonds. Any appropriation made pursuant to this section shall be made only from sales tax revenues derived from the public facility for which bonds may have been issued to pay the cost, in whole or in part, of such public facility.

§ 58.1-611.1. Rate of tax on sales of food purchased for human consumption.

A. The tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption shall be levied and distributed as follows:

1. From January 1, 2000, through midnight on June 30, 2005, the tax rate on such food shall be three percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one and one-half percent shall be used for general fund purposes.

2. On and after July 1, 2005, the tax rate on such food shall be one and one-half percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638.

B. The provisions of this section shall not affect the imposition of tax on food purchased for human consumption pursuant to §§ 58.1-605 and 58.1-606.

C. As used in this section, "food purchased for human consumption" has the same meaning as "food" defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted

pursuant to that Act, except it shall not include seeds and plants which produce food for human consumption. For the purpose of this section, "food purchased for human consumption" shall not include food sold by any retail establishment where the gross receipts derived from the sale of food prepared by such retail establishment for immediate consumption on or off the premises of the retail establishment constitutes more than 80 percent of the total gross receipts of that retail establishment, including but not limited to motor fuel purchases, regardless of whether such prepared food is consumed on the premises of that retail establishment. For purposes of this section, "retail establishment" means each place of business for which any "dealer," as defined in § 58.1-612, is required to apply for and receive a certificate of registration pursuant to § 58.1-613.

D. The taxes imposed pursuant to § 58.1-606.1 shall not apply to food purchased for human consumption.

§ 58.1-612. (Contingent expiration date) Tax collectible from dealers; "dealer" defined; jurisdiction.

A. The tax levied by §§ 58.1-603 and 58.1-604 shall be collectible from all persons who are dealers, as hereinafter defined, and who have sufficient contact with the Commonwealth to qualify under subsections B and C hereof.

B. The term "dealer," as used in this chapter, shall include every person who:

1. Manufactures or produces tangible personal property for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

2. Imports or causes to be imported into this Commonwealth tangible personal property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

3. Sells at retail, or who offers for sale at retail, or who has in his possession for sale at retail, or for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth, tangible personal property;

4. Has sold at retail, used, consumed, distributed, or stored for use or consumption in this Commonwealth, tangible personal property and who cannot prove that the tax levied by this chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such tangible personal property;

5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such property without transferring title thereto;

6. Is the lessee or rentee of tangible personal property and who pays to the owner of such property a consideration for the use or possession of such property without acquiring title thereto;

7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer under § 58.1-613; or

8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether he holds, or is required to hold, a certificate of registration under § 58.1-613.

C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 if he:

1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office, warehouse, or place of business of any nature;

2. Solicits business in this Commonwealth by employees, independent contractors, agents or other representatives;

3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on billboards or posters located in this Commonwealth, or through materials distributed in this Commonwealth by means other than the United States mail;

4. Makes regular deliveries of tangible personal property within this Commonwealth by means other than common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles other than those operated by a common carrier enter this Commonwealth more than ~~twelve~~ 12 times during a calendar year to deliver goods sold by him;

5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or distributed from a location within this Commonwealth;

6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular, seasonal, or systematic and if the dealer benefits from any banking, financing, debt collection, or marketing activities occurring in this Commonwealth or benefits from the location in this Commonwealth of authorized installation, servicing, or repair facilities;

7. Is owned or controlled by the same interests which own or control a business located within this Commonwealth;

8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the franchisee or licensee is required to obtain a certificate of registration under § 58.1-613; or

9. Owns tangible personal property that is rented or leased to a consumer in this Commonwealth, or offers tangible personal property, on approval, to consumers in this Commonwealth.

D. Notwithstanding any other provision of this section, the following shall not be considered to determine whether a person who has contracted with a commercial printer for printing in the Commonwealth is a "dealer" and whether such person has sufficient contact with the Commonwealth to be required to register under § 58.1-613:

1. The ownership or leasing by that person of tangible or intangible property located at the Virginia premises of the commercial printer which is used solely in connection with the printing contract with the person;

2. The sale by that person of property of any kind printed at and shipped or distributed from the Virginia premises of the commercial printer;

3. Activities in connection with the printing contract with the person performed by or on behalf of that person at the Virginia premises of the commercial printer; and

4. Activities in connection with the printing contract with the person performed by the commercial printer within Virginia for or on behalf of that person.

E. In addition to the jurisdictional standards contained in subsection C of this section, nothing contained herein (other than subsection D) shall limit any authority which this Commonwealth may enjoy under the provisions of federal law or an opinion of the United States Supreme Court to require the collection of sales and use taxes by any dealer who regularly or systematically solicits sales within this Commonwealth. Furthermore, nothing contained in subsection C shall require any broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher which broadcasts, publishes, or displays or distributes paid commercial advertising in this Commonwealth which is intended to be disseminated primarily to consumers located in this Commonwealth to report or impose any liability to pay any tax imposed under this chapter solely because such broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher accepted such advertising contracts from out-of-state advertisers or sellers.

F. Pursuant to any federal legislation that grants states the authority to require remote sellers to collect sales and use tax, the Commonwealth is authorized, as permitted by such federal legislation, to require collection of sales and use tax by any remote seller, or a single or consolidated provider acting on behalf of a remote seller. If the federal legislation has an exemption for sellers whose sales are less than a minimum amount, then in determining such amount, the sales made by all persons related within the meanings of subsections (b) and (c) of § 267 or § 707(b)(1) of the Internal Revenue Code of 1986 shall be aggregated.

§ 58.1-612. (Contingent effective date) Tax collectible from dealers; "dealer" defined; jurisdiction.

A. The tax levied by §§ 58.1-603 and 58.1-604 shall be collectible from all persons who are dealers, as hereinafter defined, and who have sufficient contact with the Commonwealth to qualify under subsections (i) B and C or (ii) B and D ~~hereof~~.

B. The term "dealer," as used in this chapter, shall include every person who:

1. Manufactures or produces tangible personal property for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

2. Imports or causes to be imported into this Commonwealth tangible personal property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

3. Sells at retail, or who offers for sale at retail, or who has in his possession for sale at retail, or for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth, tangible personal property;

4. Has sold at retail, used, consumed, distributed, or stored for use or consumption in this Commonwealth, tangible personal property and who cannot prove that the tax levied by this chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such tangible personal property;

5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such property without transferring title thereto;

6. Is the lessee or rentee of tangible personal property and who pays to the owner of such property a consideration for the use or possession of such property without acquiring title thereto;

7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer under § 58.1-613; or

8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether he holds, or is required to hold, a certificate of registration under § 58.1-613.

C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require

1160 registration under § 58.1-613 if he:

1161 1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office,
1162 warehouse, or place of business of any nature;

1163 2. Solicits business in this Commonwealth by employees, independent contractors, agents or other
1164 representatives;

1165 3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on
1166 billboards or posters located in this Commonwealth, or through materials distributed in this
1167 Commonwealth by means other than the United States mail;

1168 4. Makes regular deliveries of tangible personal property within this Commonwealth by means other
1169 than common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles
1170 other than those operated by a common carrier enter this Commonwealth more than 12 times during a
1171 calendar year to deliver goods sold by him;

1172 5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by
1173 means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or
1174 distributed from a location within this Commonwealth;

1175 6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular,
1176 seasonal, or systematic and if the dealer benefits from any banking, financing, debt collection, or
1177 marketing activities occurring in this Commonwealth or benefits from the location in this
1178 Commonwealth of authorized installation, servicing, or repair facilities;

1179 7. Is owned or controlled by the same interests which own or control a business located within this
1180 Commonwealth;

1181 8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the
1182 franchisee or licensee is required to obtain a certificate of registration under § 58.1-613; or

1183 9. Owns tangible personal property that is rented or leased to a consumer in this Commonwealth, or
1184 offers tangible personal property, on approval, to consumers in this Commonwealth.

1185 D. A dealer is presumed to have sufficient activity within the Commonwealth to require registration
1186 under § 58.1-613 (unless the presumption is rebutted as provided herein) if any commonly controlled
1187 person maintains a distribution center, warehouse, fulfillment center, office, or similar location within the
1188 Commonwealth that facilitates the delivery of tangible personal property sold by the dealer to its
1189 customers. The presumption in this subsection may be rebutted by demonstrating that the activities
1190 conducted by the commonly controlled person in the Commonwealth are not significantly associated
1191 with the dealer's ability to establish or maintain a market in the Commonwealth for the dealer's sales.
1192 For purposes of this subsection, a "commonly controlled person" means any person that is a member of
1193 the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of
1194 1954, as amended or renumbered, as the dealer or any other entity that, notwithstanding its form of
1195 organization, bears the same ownership relationship to the dealer as a corporation that is a member of
1196 the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of
1197 1954, as amended or renumbered.

1198 E. Notwithstanding any other provision of this section, the following shall not be considered to
1199 determine whether a person who has contracted with a commercial printer for printing in the
1200 Commonwealth is a "dealer" and whether such person has sufficient contact with the Commonwealth to
1201 be required to register under § 58.1-613:

1202 1. The ownership or leasing by that person of tangible or intangible property located at the Virginia
1203 premises of the commercial printer which is used solely in connection with the printing contract with the
1204 person;

1205 2. The sale by that person of property of any kind printed at and shipped or distributed from the
1206 Virginia premises of the commercial printer;

1207 3. Activities in connection with the printing contract with the person performed by or on behalf of
1208 that person at the Virginia premises of the commercial printer; and

1209 4. Activities in connection with the printing contract with the person performed by the commercial
1210 printer within Virginia for or on behalf of that person.

1211 F. In addition to the jurisdictional standards contained in subsections C and D, nothing contained
1212 herein (other than subsection E) shall limit any authority which this Commonwealth may enjoy under
1213 the provisions of federal law or an opinion of the United States Supreme Court to require the collection
1214 of sales and use taxes by any dealer who regularly or systematically solicits sales within this
1215 Commonwealth. Furthermore, nothing contained in subsection C shall require any broadcaster, printer,
1216 outdoor advertising firm, advertising distributor, or publisher which broadcasts, publishes, or displays or
1217 distributes paid commercial advertising in this Commonwealth which is intended to be disseminated
1218 primarily to consumers located in this Commonwealth to report or impose any liability to pay any tax
1219 imposed under this chapter solely because such broadcaster, printer, outdoor advertising firm, advertising
1220 distributor, or publisher accepted such advertising contracts from out-of-state advertisers or sellers.

1221 G. Pursuant to any federal legislation that grants states the authority to require remote sellers to

collect sales and use tax, the Commonwealth is authorized, as permitted by such federal legislation, to require collection of sales and use tax by any remote seller, or a single or consolidated provider acting on behalf of a remote seller. If the federal legislation has an exemption for sellers whose sales are less than a minimum amount, then in determining such amount, the sales made by all persons related within the meanings of subsections (b) and (c) of § 267 or § 707(b)(1) of the Internal Revenue Code of 1986 shall be aggregated.

§ 58.1-615. Returns by dealers.

A. Every dealer required to collect or pay the sales or use tax shall, on or before the twentieth day of the month following the month in which the tax shall become effective, transmit to the Tax Commissioner a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all transactions taxable under this chapter during the preceding calendar month, and thereafter a like return shall be prepared and transmitted to the Tax Commissioner by every dealer on or before the twentieth day of each month, for the preceding calendar month. In the case of dealers regularly keeping books and accounts on the basis of an annual period which varies 52 to 53 weeks, the Tax Commissioner may make rules and regulations for reporting consistent with such accounting period. *The Tax Commissioner shall not require that more than one return per month be used or filed by any remote seller, single provider, or consolidated provider subject to the sales or use tax.*

Notwithstanding any other provision of this chapter, a dealer may be required by the Tax Commissioner to file sales or use tax returns on an accounting period less frequent than monthly when, in the opinion of the Tax Commissioner, the administration of the taxes imposed by this chapter would be enhanced. If a dealer is required to file other than monthly, each such return shall be due on or before the twentieth day of the month following the close of the period. Each such return shall contain all information required for monthly returns.

A sales or use tax return shall be filed by each registered dealer even though the dealer is not liable to remit to the Tax Commissioner any tax for the period covered by the return.

B. [Expired.]

C. Any return required to be filed with the Tax Commissioner under this section shall be deemed to have been filed with the Tax Commissioner on the date that such return is delivered by the dealer to the commissioner of the revenue or the treasurer for the locality in which the dealer is located and receipt is acknowledged by the commissioner of the revenue or treasurer. The commissioner of the revenue or the treasurer shall stamp such date on the return, and shall mail the return to the Tax Commissioner no later than the following business day. The commissioner of the revenue or the treasurer may collect from the dealer the cost of postage for such mailing.

D. Every dealer who elects to file a consolidated sales tax return for any taxable period and who is required to remit payment by electronic funds transfer pursuant to subsection B of § 58.1-202.1 beginning on and after July 1, 2010, shall file his monthly return using an electronic medium prescribed by the Tax Commissioner. A waiver of this requirement may be granted if the Tax Commissioner determines that it creates an unreasonable burden on the dealer.

§ 58.1-625. (Effective until July 1, 2017) Collection of tax.

A. The tax levied by this chapter shall be paid by the dealer, but the dealer shall separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be recoverable at law in the same manner as other debts. No action at law or suit in equity under this chapter may be maintained in this Commonwealth by any dealer who is not registered under § 58.1-613 or is delinquent in the payment of the taxes imposed under this chapter.

B. Notwithstanding any exemption from taxes which any dealer now or hereafter may enjoy under the Constitution or laws of this or any other state, or of the United States, such dealer shall collect such tax from the purchaser, consumer, or lessee and shall pay the same over to the Tax Commissioner as herein provided.

C. Any dealer collecting the sales or use tax on transactions exempt or not taxable under this chapter shall transmit to the Tax Commissioner such erroneously or illegally collected tax unless or until he can affirmatively show that the tax has since been refunded to the purchaser or credited to his account.

D. Any dealer who neglects, fails, or refuses to collect such tax upon every taxable sale, distribution, lease, or storage of tangible personal property made by him, his agents, or employees shall be liable for and pay the tax himself, and such dealer shall not thereafter be entitled to sue for or recover in this Commonwealth any part of the purchase price or rental from the purchaser until such tax is paid. Moreover, any dealer who neglects, fails, or refuses to pay or collect the tax herein provided, either by himself or through his agents or employees, shall be guilty of a Class 1 misdemeanor.

E. *Notwithstanding subsection D, any remote seller, single provider, or consolidated provider who has collected an incorrect amount of sales or use tax shall be relieved from liability for such additional amount, including any penalty or interest, if collection of the improper amount is a result of the remote*

1283 *seller, single provider, or consolidated provider's reasonable reliance upon information provided by the*
1284 *Commonwealth, including, but not limited to, any information obtained from software provided by the*
1285 *Department of Taxation pursuant to subsection B of § 58.1-601.*

1286 F. All sums collected by a dealer as required by this chapter shall be deemed to be held in trust for
1287 the Commonwealth.

1288 Notwithstanding the foregoing provisions of this section, any dealer is authorized during the period
1289 of time set forth in §§ 58.1-611.2 and 58.1-611.3 or subdivision 18 of § 58.1-609.1 not to collect the tax
1290 levied by this chapter or levied under the authority granted in §§ 58.1-605 and 58.1-606 from the
1291 purchaser, and to absorb such tax himself. A dealer electing to absorb such taxes shall be liable for
1292 payment of such taxes to the Tax Commissioner in the same manner as he is for tax collected from a
1293 purchaser pursuant to this section.

1294 **§ 58.1-625. (Effective July 1, 2017) Collection of tax.**

1295 A. The tax levied by this chapter shall be paid by the dealer, but the dealer shall separately state the
1296 amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt
1297 from the purchaser, consumer, or lessee to the dealer until paid and shall be recoverable at law in the
1298 same manner as other debts. No action at law or suit in equity under this chapter may be maintained in
1299 this Commonwealth by any dealer who is not registered under § 58.1-613 or is delinquent in the
1300 payment of the taxes imposed under this chapter.

1301 B. Notwithstanding any exemption from taxes which any dealer now or hereafter may enjoy under
1302 the Constitution or laws of this or any other state, or of the United States, such dealer shall collect such
1303 tax from the purchaser, consumer, or lessee and shall pay the same over to the Tax Commissioner as
1304 herein provided.

1305 C. Any dealer collecting the sales or use tax on transactions exempt or not taxable under this chapter
1306 shall transmit to the Tax Commissioner such erroneously or illegally collected tax unless or until he can
1307 affirmatively show that the tax has since been refunded to the purchaser or credited to his account.

1308 D. Any dealer who neglects, fails, or refuses to collect such tax upon every taxable sale, distribution,
1309 lease, or storage of tangible personal property made by him, his agents, or employees shall be liable for
1310 and pay the tax himself, and such dealer shall not thereafter be entitled to sue for or recover in this
1311 Commonwealth any part of the purchase price or rental from the purchaser until such tax is paid.
1312 Moreover, any dealer who neglects, fails, or refuses to pay or collect the tax herein provided, either by
1313 himself or through his agents or employees, shall be guilty of a Class 1 misdemeanor.

1314 E. *Notwithstanding subsection D, any remote seller, single provider, or consolidated provider who*
1315 *has collected an incorrect amount of sales or use tax shall be relieved from liability for such additional*
1316 *amount, including any penalty or interest, if collection of the improper amount is a result of the remote*
1317 *seller, single provider, or consolidated provider's reasonable reliance upon information provided by the*
1318 *Commonwealth, including, but not limited to, any information obtained from software provided by the*
1319 *Department of Taxation pursuant to subsection B of § 58.1-601.*

1320 F. All sums collected by a dealer as required by this chapter shall be deemed to be held in trust for
1321 the Commonwealth.

1322 Notwithstanding the foregoing provisions of this section, any dealer is authorized during the period
1323 of time set forth in § 58.1-611.2 not to collect the tax levied by this chapter or levied under the
1324 authority granted in §§ 58.1-605 and 58.1-606 from the purchaser, and to absorb such tax himself. A
1325 dealer electing to absorb such taxes shall be liable for payment of such taxes to the Tax Commissioner
1326 in the same manner as he is for tax collected from a purchaser pursuant to this section.

1327 **§ 58.1-635. Failure to file return; fraudulent return; civil penalties.**

1328 A. When any dealer fails to make any return and pay the full amount of the tax required by this
1329 chapter, there shall be imposed, in addition to other penalties provided herein, a specific penalty to be
1330 added to the tax in the amount of six percent if the failure is for not more than one month, with an
1331 additional six percent for each additional month, or fraction thereof, during which the failure continues,
1332 not to exceed ~~thirty~~ 30 percent in the aggregate. In no case, however, shall the penalty be less than ~~ten~~
1333 ~~dollars~~ \$10 and such minimum penalty shall apply whether or not any tax is due for the period for
1334 which such return was required. If such failure is due to providential or other good cause shown to the
1335 satisfaction of the Tax Commissioner, such return with or without remittance may be accepted exclusive
1336 of penalties. In the case of a false or fraudulent return where willful intent exists to defraud the
1337 Commonwealth of any tax due under this chapter, or in the case of a willful failure to file a return with
1338 the intent to defraud the Commonwealth of any such tax, a specific penalty of ~~fifty~~ 50 percent of the
1339 amount of the proper tax shall be assessed. All penalties and interest imposed by this chapter shall be
1340 payable by the dealer and collectible by the Tax Commissioner in the same manner as if they were a
1341 part of the tax imposed.

1342 B. It shall be prima facie evidence of intent to defraud the Commonwealth of any tax due under this
1343 chapter when any dealer reports his gross sales, gross proceeds or cost price, as the case may be, at ~~fifty~~
1344 50 percent or less of the actual amount.

C. Interest at a rate determined in accordance with § 58.1-15, shall accrue on the tax until the same is paid, or until an assessment is made, pursuant to § 58.1-15, after which interest shall accrue as provided therein.

D. Notwithstanding any other provision of this section, any remote seller, single provider, or consolidated provider who collects an incorrect amount of sales or use tax shall be relieved of any liability, including penalties and interest, if collection of the improper amount is the result of the remote seller, single provider, or consolidated provider's reasonable reliance on information that has been provided by the Commonwealth.

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than \$50,000 nor more than \$2 million per year from this provision.

b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA.

c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis.

3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall

1406 be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight
1407 Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and
1408 the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall
1409 remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

1410 a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.1-23.03:2 shall
1411 be allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia
1412 Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating
1413 costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

1414 b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the
1415 Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the
1416 commercial space flight industry in Virginia.

1417 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
1418 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass
1419 Transit Fund.

1420 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
1421 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
1422 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be
1423 paid to any local governing body, transportation district commission, or public service corporation for
1424 the purposes hereinafter specified.

1425 b. The amounts allocated pursuant to this section shall be used to support the public transportation
1426 administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and
1427 maintenance parts and supplies for public transportation at a state share of 80 percent in 2002 and 95
1428 percent in 2003 and succeeding years. These amounts may be used to support up to 95 percent of the
1429 local or nonfederal share of capital project costs for public transportation and ridesharing equipment,
1430 facilities, and associated costs. Capital costs may include debt service payments on local or agency
1431 transit bonds. The term "borne by the locality" means the local share eligible for state assistance
1432 consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance
1433 received by the locality.

1434 c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth
1435 Transportation Board as follows:

1436 (1) Funds for special programs, which shall include ridesharing, experimental transit, and technical
1437 assistance, shall not exceed 1.5 percent of the Fund.

1438 (2) The Board may allocate these funds to any locality or planning district commission to finance up
1439 to 80 percent of the local share of all costs associated with the development, implementation, and
1440 continuation of ridesharing programs.

1441 (3) Funds allocated for experimental transit projects may be paid to any local governing body,
1442 transportation district commission, or public corporation or may be used directly by the Department of
1443 Rail and Public Transportation for the following purposes:

1444 (a) To finance up to 95 percent of the capital costs related to the development, implementation and
1445 promotion of experimental public transportation and ridesharing projects approved by the Board.

1446 (b) To finance up to 95 percent of the operating costs of experimental mass transportation and
1447 ridesharing projects approved by the Board for a period of time not to exceed 12 months.

1448 (c) To finance up to 95 percent of the cost of the development and implementation of any other
1449 project designated by the Board where the purpose of such project is to enhance the provision and use
1450 of public transportation services.

1451 d. Funds allocated for public transportation promotion and operation studies may be paid to any local
1452 governing body, planning district commission, transportation district commission, or public transit
1453 corporation, or may be used directly by the Department of Rail and Public Transportation for the
1454 following purposes and aid of public transportation services:

1455 (1) At the approval of the Board to finance a program administered by the Department of Rail and
1456 Public Transportation designed to promote the use of public transportation and ridesharing throughout
1457 Virginia.

1458 (2) To finance up to 50 percent of the local share of public transportation operations planning and
1459 technical study projects approved by the Board.

1460 e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same
1461 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for
1462 the purposes specified in subdivision 4 b.

1463 f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the
1464 nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the
1465 event that total capital funds available under this subdivision are insufficient to fund the complete list of
1466 eligible projects, the funds shall be distributed to each transit property in the same proportion that such
1467 capital expenditure bears to the statewide total of capital projects. Prior to the annual adoption of the

Six-Year Improvement Program, the Commonwealth Transportation Board may allocate up to 20 percent of the funds in the Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance if operating funds for the next fiscal year are estimated to be less than the current fiscal year's allocation, to attempt to maintain transit operations at approximately the same level as the previous fiscal year.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are dependents living on any federal military or naval reservation or other federal property within the school division in which the institutions or federal military or naval reservation or other federal property is located. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for members of the military services who are under 20 years of age within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for individuals receiving services in state hospitals, state training centers, or mental health facilities, persons who are confined in state or federal correctional institutions, or persons who attend the Virginia School for the Deaf and the Blind within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who attend institutions of higher education within the school division in which the student's parents or guardians

legally reside. To such estimate, the Department of Education shall add the population of students with disabilities, ages two through four and 20 through 21, as provided to the Department of Education by school divisions. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last estimate of school population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such estimate and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. *Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the revenue generated by a 0.05 percent sales and use tax shall be allocated pursuant to § 33.1-221.1:1.4.*

H. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

~~H. 1.~~ I. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

§ 58.1-638.2. Disposition of state and local sales tax revenue collected pursuant to federal legislation granting remote collection authority.

Notwithstanding any provisions of § 58.1-605, 58.1-606, 58.1-606.1, or 58.1-638 to the contrary, any state and local sales and use tax revenue collected pursuant to federal legislation granting the Commonwealth authority to compel remote sellers to collect the tax for sales made into the Commonwealth shall be distributed as follows:

1. *Any state sales and use tax revenue shall be transferred to the Transportation Trust Fund to be allocated pursuant to § 33.1-23.03:2; and*

2. *Any local sales and use tax revenue shall be transferred to the county or city, with one-half of such revenues designated for the general fund of this county or city, and one-half to be used for transportation pursuant to subsection F of § 58.1-606.1.*

§ 58.1-2217. Taxes levied; rate.

A. There is hereby levied a tax at the rate of ~~seventeen and one-half~~ 22.5 cents (\$0.225) per gallon on gasoline and gasohol.

Beginning July 1, 2014, the rate per gallon on gasoline and gasohol shall be adjusted each year on July 1 by a percentage, as determined by the Commissioner and rounded to the nearest one-tenth of one percent, equal to the percentage change in the U.S. Department of Labor's Producer Price Index for Other Nonresidential Construction from January 1 through December 31 of the year immediately preceding the affected year (in relation to the second calendar year immediately preceding the affected year). The Commissioner shall round the rate of tax per gallon to the nearest one-tenth of one cent.

B. (Contingent expiration date) There is hereby levied a tax at the rate of ~~seventeen and one-half~~ cents per gallon on each gallon of diesel fuel at the same rate as the rate in effect pursuant to subsection A.

B. (Contingent effective date) There is hereby levied a tax at the rate of ~~sixteen cents per gallon~~ on each gallon of diesel fuel at the rate of 1.5 cents (\$0.015) less than the rate in effect pursuant to subsection A.

C. Blended fuel that contains gasoline shall be taxed at the rate levied on gasoline. Blended fuel that contains diesel fuel shall be taxed at the rate levied on diesel fuel.

D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation gasoline shall be liable for the tax *imposed on each gallon at the same rate of ~~seventeen and one-half cents per gallon~~ as the rate in effect pursuant to subsection A*, along with any penalties and interest that may accrue.

E. (Contingent expiration date) There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax *imposed on each gallon at the same rate of ~~seventeen and one-half cents per gallon~~ as the rate in effect pursuant to subsection A*, along with any penalties and interest that may accrue.

E. (Contingent effective date) There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax *imposed on each gallon at the same rate of ~~sixteen cents per gallon~~ as the rate in effect pursuant to subsection B*, along with any penalties and interest that may accrue.

F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and delivered or used in the Commonwealth. *The provisions of this chapter related to the administration, enforcement, penalties, and record keeping of the taxes imposed herein shall also apply to the collection of the storage tank fee.*

§ 58.1-2249. Tax on alternative fuel.

A. (Contingent expiration date) There is hereby levied a tax at the *same rate of ~~seventeen and one-half cents per gallon~~ as the rate in effect pursuant to subsection A of § 58.1-2217* on each gallon of liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to ~~seventeen and one-half cents per gallon~~ *the rate in effect pursuant to subsection A of § 58.1-2217* on all other alternative fuel used to operate a highway vehicle. The Commissioner shall determine the equivalent rate applicable to such other alternative fuels.

A. (Contingent effective date) There is hereby levied a tax at the *same rate of ~~sixteen cents per gallon~~ as the rate in effect pursuant to subsection B of § 58.1-2217* on each gallon of liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to

1652 sixteen cents per gallon the rate in effect pursuant to subsection B of § 58.1-2217 on all other alternative
 1653 fuel used to operate a highway vehicle. The Commissioner shall determine the equivalent rate applicable
 1654 to such other alternative fuels.

1655 B. In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$50
 1656 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle. If such a
 1657 highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license
 1658 tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

1659 *Article 8.1.*

1660 *Additional Taxes.*

1661 **§ 58.1-2288.1. Additional taxes on fuels.**

1662 A. Beginning July 1, 2013, and thereafter, any licensee or person required to precollect the tax
 1663 imposed on fuels under § 58.1-2217 or 58.1-2249 shall also be required to precollect an additional tax,
 1664 which is hereby imposed at the rate established in subsection B, on the number of gallons of gasoline,
 1665 gasohol, diesel fuel, blended fuel, or alternative fuel for which the licensee or person is precollecting the
 1666 tax under such section or sections. The tax imposed under this section shall be in addition to all other
 1667 taxes and fees of every kind imposed by law.

1668 B. The tax imposed under subsection A shall be imposed at a cents-per-gallon rate determined by the
 1669 Commissioner equal to one percent of the statewide average wholesale price of a gallon of self-serve
 1670 unleaded regular gasoline for the applicable base period, excluding federal and state excise taxes, as
 1671 determined by the Commissioner rounded up to the nearest one-tenth of one cent.

1672 In computing the cents-per-gallon tax, the Commissioner shall use four base periods. The period
 1673 from March 1 through May 31 shall be the base period for the purpose of determining the
 1674 cents-per-gallon tax for the immediately following period beginning July 1 and ending September 30,
 1675 inclusive. The period from June 1 through August 31 shall be the base period for determining the
 1676 cents-per-gallon tax for the immediately following period beginning October 1 and ending December 31,
 1677 inclusive. The period from September 1 through November 30 shall be the base period for determining
 1678 the cents-per-gallon tax for the immediately following period beginning January 1 and ending March
 1679 31, inclusive. The period from December 1 through the last day of February shall be the base period
 1680 for determining the cents-per-gallon tax for the immediately following period beginning April 1 and
 1681 ending June 30, inclusive.

1682 C. The tax imposed under this section on gallons of fuel for which the licensee or person is
 1683 precollecting the tax under § 58.1-2217 or 58.1-2249 is imposed on the ultimate consumer but shall be
 1684 precollected as prescribed herein, and the levies and assessments imposed on the licensee or person for
 1685 such tax are imposed on licensee or person as agents of the Commonwealth for the precollection of the
 1686 tax.

1687 D. The tax imposed by subsection A shall be due and paid by such licensee or person at the same
 1688 time that the tax under § 58.1-2217 or 58.1-2249, as applicable, is due. All provisions of this chapter,
 1689 including return filing and reporting requirements, payment requirements and due dates for payment of
 1690 tax, requirements to precollect tax, late payment penalties and interest, jeopardy assessments, civil
 1691 penalties, discounts, deductions, and exemptions from tax, shall apply mutatis mutandis to the additional
 1692 tax imposed under this section.

1693 **§ 58.1-2289. (Contingent expiration date) Disposition of tax revenue generally.**

1694 A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by
 1695 the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be
 1696 promptly paid into the state treasury and shall constitute special funds within the Commonwealth
 1697 Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for
 1698 use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds
 1699 shall accrue to these funds. Except as provided in § 33.1-23.03:1, no portion of the revenue derived
 1700 from taxes collected pursuant to §§ 58.1-2217, 58.1-2249 or 58.1-2701, and remaining after authorized
 1701 refunds for nonhighway use of fuel, shall be used for any purpose other than the construction,
 1702 reconstruction or maintenance of the roads and projects comprising the State Highway System, the
 1703 Interstate System and the secondary system of state highways and expenditures directly and necessarily
 1704 required for such purposes, including the retirement of revenue bonds.

1705 Revenues collected under this chapter may be also used for (i) contributions toward the construction,
 1706 reconstruction or maintenance of streets in cities and towns of such sums as may be provided by law
 1707 and (ii) expenditures for the operation and maintenance of the Department of Transportation, the
 1708 Department of Rail and Public Transportation, the Department of Aviation, the Virginia Port Authority,
 1709 and the Department of Motor Vehicles as may be provided by law.

1710 The Governor is hereby authorized to transfer out of such fund an amount necessary for the
 1711 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection
 1712 and analysis of gasoline for purity.

1713 B. Except as provided in ~~subsection~~ subsections F and G, the tax collected on each gallon of aviation

fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and educational phases of the agricultural program, including supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable expenses of the Virginia Agricultural Council.

D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the purposes provided generally in subsection C of § 29.1-701, including acquisition, construction, improvement and maintenance of public boating access areas on the public waters of this Commonwealth and for other activities and purposes of direct benefit and interest to the boating public and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be used for the construction, repair, improvement and maintenance of the public docks of this Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction, improvement and maintenance of the public docks shall be made according to a plan developed by the Virginia Marine Resources Commission.

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, after deduction for lawful refunds *and after deduction for the revenues distributed pursuant to subsection G*, there shall be paid into the state treasury for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established by the General Assembly.

E. Notwithstanding other provisions of this section, there shall be transferred from moneys collected pursuant to this section to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, an amount equal to one percent of a sum to be calculated as follows: the tax revenues collected pursuant to this chapter, at the tax rates in effect on December 31, 1986, less refunds authorized by this chapter and less taxes collected for aviation fuels.

F. The additional revenues, less any additional refunds authorized, generated by increases in the rates of taxes under this chapter pursuant to enactments of the 2007 Session of the General Assembly shall be collected pursuant to Article 4 of this chapter and deposited into the Highway Maintenance and Operating Fund.

G. *The additional revenues (less any additional refunds authorized and the direct costs of administration by the Department in collecting such additional revenues) generated by the additional tax under § 58.1-2288.1 shall be collected pursuant to Article 4 (§ 58.1-2230 et seq.) and distributed to a special nonreverting fund known as the Local and Regional Transportation Construction Fund to be established on the books of the Comptroller and administered by the Virginia Department of Transportation. The Local and Regional Transportation Construction Fund shall consist of a subfund for each county and city in the Commonwealth. Revenues deposited into the Local and Regional Transportation Construction Fund shall be credited to the subfunds based on the same proportions and formulas used to distribute local sales tax pursuant to § 58.1-605. The moneys in each subfund shall be used for local or regional transportation construction projects approved by the Commonwealth Transportation Board.*

§ 58.1-2289. (Contingent effective date) Disposition of tax revenue generally.

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute special funds within the Commonwealth

1775 Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for
1776 use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds
1777 shall accrue to these funds. Except as provided in § 33.1-23.03:1, no portion of the revenue derived
1778 from taxes collected pursuant to §§ 58.1-2217, 58.1-2249 or § 58.1-2701, and remaining after authorized
1779 refunds for nonhighway use of fuel, shall be used for any purpose other than the construction,
1780 reconstruction or maintenance of the roads and projects comprising the State Highway System, the
1781 Interstate System and the secondary system of state highways and expenditures directly and necessarily
1782 required for such purposes, including the retirement of revenue bonds.

1783 Revenues collected under this chapter may be also used for (i) contributions toward the construction,
1784 reconstruction or maintenance of streets in cities and towns of such sums as may be provided by law
1785 and (ii) expenditures for the operation and maintenance of the Department of Transportation, the
1786 Department of Rail and Public Transportation, the Department of Aviation, the Virginia Port Authority,
1787 and the Department of Motor Vehicles as may be provided by law.

1788 The Governor is hereby authorized to transfer out of such fund an amount necessary for the
1789 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection
1790 and analysis of gasoline for purity.

1791 B. ~~The~~ Except as provided in subsection F, the tax collected on each gallon of aviation fuel sold and
1792 delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state
1793 treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed
1794 upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the
1795 administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance
1796 and improvement of airports and landing fields to which the public now has or which it is proposed
1797 shall have access, and for the promotion of aviation in the interest of operators and the public generally.

1798 C. One-half cent of the tax collected on each gallon of fuel on which the refund has been paid ~~at the~~
1799 ~~rate of seventeen cents per gallon, or in the case of diesel fuel, fifteen and one-half cents per gallon, for~~
1800 ~~gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel~~ for fuel consumed in tractors and
1801 unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state
1802 treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds
1803 and defray the costs of the research and educational phases of the agricultural program, including
1804 supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University,
1805 the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research
1806 Station, including reasonable expenses of the Virginia Agricultural Council.

1807 D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial
1808 watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of
1809 the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the
1810 purposes provided generally in subsection C of § 29.1-701, including acquisition, construction,
1811 improvement and maintenance of public boating access areas on the public waters of this
1812 Commonwealth and for other activities and purposes of direct benefit and interest to the boating public
1813 and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial
1814 fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be
1815 used for the construction, repair, improvement and maintenance of the public docks of this
1816 Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction,
1817 improvement and maintenance of the public docks shall be made according to a plan developed by the
1818 Virginia Marine Resources Commission.

1819 From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for
1820 the propelling of watercraft, after deduction for lawful refunds ~~and after deduction for the revenues~~
1821 ~~distributed pursuant to subsection F~~, there shall be paid into the state treasury for use by the Marine
1822 Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board,
1823 and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section,
1824 (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental
1825 improvements including, without limitation, fisheries management and habitat enhancement in the
1826 Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established
1827 by the General Assembly.

1828 E. Notwithstanding other provisions of this section, there shall be transferred from moneys collected
1829 pursuant to this section to a special fund within the Commonwealth Transportation Fund in the state
1830 treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, an amount
1831 equal to one percent of a sum to be calculated as follows: the tax revenues collected pursuant to this
1832 chapter, at the tax rates in effect on December 31, 1986, less refunds authorized by this chapter and less
1833 taxes collected for aviation fuels.

1834 F. *The additional revenues (less any additional refunds authorized and the direct costs of*
1835 *administration by the Department in collecting such additional revenues) generated by the additional tax*
1836 *under § 58.1-2288.1 shall be collected pursuant to Article 4 (§ 58.1-2230 et seq.) and distributed to a*

special nonreverting fund known as the Local and Regional Transportation Construction Fund to be established on the books of the Comptroller and administered by the Virginia Department of Transportation. The Local and Regional Transportation Construction Fund shall consist of a subfund for each county and city in the Commonwealth. Revenues deposited into the Local and Regional Transportation Construction Fund shall be credited to the subfunds based on the same proportions and formulas used to distribute local sales tax pursuant to § 58.1-605. The moneys in each subfund shall be used for local or regional transportation construction projects approved by the Commonwealth Transportation Board.

§ 58.1-2701. (Contingent expiration date) Amount of tax.

A. Except as provided in subsection B, every motor carrier shall pay a road tax equivalent to \$0.21 3.5 cents (\$0.035) more per gallon than the tax imposed pursuant to Chapter 22 (§ 58.1-2200 et seq.) calculated on the amount of motor fuel, diesel fuel or liquefied gases (which would not exist as liquids at a temperature of sixty degrees Fahrenheit and a pressure of 14.7 pounds per square inch absolute), used in its operations within the Commonwealth.

The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed on a motor carrier by any other provision of law.

B. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles that are not registered under the International Registration Plan shall pay a fee of \$150 per year for each qualified highway vehicle regardless of whether such vehicle will be included on the motor carrier's IFTA return. The fee is due and payable when the vehicle registration fees are paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due at the time the vehicle becomes a qualified highway vehicle shall be prorated monthly to the registration expiration month. Fees paid under this subsection shall not be refunded unless a full refund of the registration fee paid is authorized by law.

C. All taxes and fees paid under the provisions of this chapter shall be credited to the Highway Maintenance and Operating Fund, a special fund within the Commonwealth Transportation Fund.

§ 58.1-2701. (Contingent effective date) Amount of tax.

A. Except as provided in subsection B, every motor carrier shall pay a road tax equivalent to ~~nineteen and one-half~~ 3.5 cents (\$0.035) more per gallon than the tax imposed pursuant to Chapter 22 (§ 58.1-2200 et seq.) calculated on the amount of motor fuel, diesel fuel or liquefied gases (which would not exist as liquids at a temperature of sixty degrees Fahrenheit and a pressure of 14.7 pounds per square inch absolute), used in its operations within the Commonwealth.

The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed on a motor carrier by any other provision of law.

B. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles that are not registered under the International Registration Plan shall pay a fee of \$100 per year for each qualified highway vehicle, regardless of whether such vehicle will be included on the motor carrier's IFTA return. The fee is due and payable when the vehicle registration fees are paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due at the time the vehicle becomes a qualified highway vehicle shall be prorated monthly to the registration expiration month. Fees paid under this subsection shall not be refunded unless a full refund of the registration fee paid is authorized by law.

C. All taxes and fees paid under the provisions of this chapter shall be credited to the Highway Maintenance and Operating Fund, a special fund within the Commonwealth Transportation Fund.

§ 58.1-2706. Credit for payment of motor fuel, diesel fuel or liquefied gases tax.

A. Every motor carrier subject to the road tax shall be entitled to a credit on such tax equivalent to ~~seventeen and one-half cents per gallon on the tax imposed pursuant to Chapter 22 (§ 58.1-2200 et seq.)~~ on each gallon of all motor fuel, diesel fuel and liquefied gases purchased by such carrier within the Commonwealth for use in its operations either within or without the Commonwealth and upon which the motor fuel, diesel fuel or liquefied gases tax imposed by the laws of the Commonwealth has been paid by such carrier. Evidence of the payment of such tax in such form as may be required by, or is satisfactory to, the Department shall be furnished by each carrier claiming the credit herein allowed.

B. When the amount of the credit to which any motor carrier is entitled for any quarter exceeds the amount of the tax for which such carrier is liable for the same quarter, the excess may: (i) be allowed as a credit on the tax for which such carrier would be otherwise liable for any of the eight succeeding quarters or (ii) be refunded, upon application, duly verified and presented and supported by such evidence as may be satisfactory to the Department.

C. The Department may allow a refund upon receipt of proper application and review. It shall be at the discretion of the Department to determine whether an audit is required.

1898 D. The refund may be allowed without a formal hearing if the amount of refund is agreed to by the
1899 applicant. Otherwise, a formal hearing on the application shall be held by the Department after notice of
1900 not less than ~~ten~~ 10 days to the applicant and the Attorney General.

1901 E. Whenever any refund is ordered it shall be paid out of the Highway Maintenance and
1902 Construction Fund.

1903 F. Whenever a person operating under lease to a motor carrier to perform transport services on
1904 behalf of the carrier purchases motor fuel, diesel fuel or liquefied gases relating to such services, such
1905 payments or purchases may, at the discretion of the Department, be considered payment or purchases by
1906 the carrier.

1907 2. That in computing the amount of sales and use tax revenue paid under subsection G of
1908 § 58.1-638 as added by this act, the amount of such revenue attributable to sales and use tax on
1909 food for human consumption, as defined in § 58.1-611.1 of the Code of Virginia, shall be excluded.

1910 3. That effective July 1, 2015, the additional motor fuels sales tax rate set forth in Article 8.1
1911 (§ 58.1-2288.1 et seq. as added by this act) of Chapter 22 of Title 58.1 shall be levied at a
1912 cents-per-gallon rate equivalent to two percent of the statewide average wholesale price of a gallon
1913 of self-serve unleaded regular gasoline if the United States Congress has not enacted legislation
1914 granting the Commonwealth the authority to compel the remote sellers to collect state and local
1915 retail sales and use tax for sales made in the Commonwealth by such date.

1916 4. Notwithstanding the provisions of § 33.1-221.1:1.4, as added by this act, to the contrary, in each
1917 of the fiscal years 2014, 2015, 2016, and 2017, the \$100 million that would otherwise be distributed
1918 annually to the Commonwealth Mass Transit Fund shall be dedicated to Phase 2 of the Dulles
1919 Corridor Metrorail Extension Project, provided, however, that the Metropolitan Washington
1920 Airports Authority (MWAA) Board of Directors first address all deficiencies cited in the Office of
1921 the Inspector General of the U.S. Department of Transportation's Report on MWAA Governance
1922 and the auditor appointed by the U.S. Secretary of Transportation determines that such
1923 deficiencies have been addressed.

1924 5. That the provisions of this act relating to the authority to compel remote sellers to collect the
1925 Commonwealth's sales and use tax on sales made in the Commonwealth shall not become effective
1926 unless (i) the federal government enacts legislation ("the federal act") that grants states that meet
1927 minimum simplification requirements specified in the federal act the authority to compel remote
1928 retailers to collect sales and use tax on sales made into the Commonwealth and (ii) the Tax
1929 Commissioner publishes notice in the Virginia Register of Regulations that declares that
1930 conformity to the federal act is cost effective, generates additional sales and use tax revenues for
1931 the Commonwealth, is not in conflict with the Constitution of Virginia, and is otherwise
1932 advantageous to the Commonwealth, and adheres to all notice requirements set forth in the federal
1933 act. Before publishing such public notice, the Tax Commissioner shall consult with the Governor
1934 to determine whether conformity to any provision of the federal act is not advantageous to the
1935 Commonwealth.

1936 6. That the prohibition against the imposition and collection of tolls on any existing component of
1937 the Interstate Highway System within the Commonwealth pursuant to § 33.1-23.03:10 of the Code
1938 of Virginia, as amended by this act, shall not prohibit the imposition or collection of tolls pursuant
1939 to agreements entered into by the Commonwealth prior to July 1, 2013.