

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** HB1679

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Orrock

**3. Committee:** Finance

- 4. Title:** All-terrain vehicles (ATVs), mopeds, and off-road motorcycles; clarifies taxation on vehicles, etc.
- 5. Summary:** This bill clarifies the taxation of all-terrain vehicles, mopeds, and off-road motorcycles and provides that vehicles that qualify as farm equipment that is exempt from sales and use tax shall be exempt from the motor vehicle sales and use tax. The bill contains technical amendments.
- 6. Budget Amendment Necessary:** No.
- 7. Fiscal Impact Estimates:** Preliminary. See Item #8.
- 8. Fiscal Implications:** Since this bill is comprised primarily of technical amendments, the only provision expected to have a fiscal impact would be the exemption from tax for vehicles which previously qualified for an agricultural exemption under the retail sales tax. The Department of Motor Vehicles (DMV) cannot estimate how many vehicles would qualify for the exemption, as the Department of Taxation keeps no record of the sales of exempt vehicles. Because this exemption would have applied to the sale of these vehicles prior to October 1, 2018, DMV anticipates the revenue impact to be minimal.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles.
- 10. Technical Amendment Necessary:** Yes, consideration may be given to including the recently implemented Historic Triangle tax, which imposes a one percent additional retail sales and use tax for the Historic Triangle region. Because of the delayed effective date of Chapters 838 and 840, all-terrain vehicles, mopeds and off-road motorcycles were subject to the retail sales and use tax, including the Historic Triangle tax, from July 1, 2018, through September 30, 2018. However, while the 2018 Acts were intended to keep taxation of these vehicles consistent in the switch from retail tax to titling tax, they did not include language for the collection or distribution of the new additional Historic Triangle tax.

**11. Other Comments:** None

**Date:** 1/18/2019

**Document:** G:\18-20\FIS 2019\HB1679.docx

Cc: Secretary of Transportation