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HOUSE BILL NO. 1021

Offered January 8, 2020

Prefiled January 7, 2020

A BILL to amend and reenact §§ 58.1-3503, 58.1-3505, and 58.1-3506 of the Code of Virginia, relating to personal property tax; farm machinery; classification of forest harvesting and silvicultural activity equipment.

Patrons—Adams, L.R. and Tyler

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3503, 58.1-3505, and 58.1-3506 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-3503. General classification of tangible personal property.

A. Tangible personal property is classified for valuation purposes according to the following separate categories which are not to be considered separate classes for rate purposes:

1. Farm animals, except as exempted under § 58.1-3505.

2. Farm machinery, except as exempted under § 58.1-3505.

3. Automobiles, except those described in subdivisions 7, 8, and 9 of this subsection and in subdivision A 8 of § 58.1-3504, which shall be valued by means of a recognized pricing guide or if the model and year of the individual automobile are not listed in the recognized pricing guide, the individual vehicle may be valued on the basis of percentage or percentages of original cost. In using a recognized pricing guide, the commissioner shall use either of the following two methods. The commissioner may use all applicable adjustments in such guide to determine the value of each individual automobile, or alternatively, if the commissioner does not utilize all applicable adjustments in valuing each automobile, he shall use the base value specified in such guide which may be either average retail, wholesale, or loan value, so long as uniformly applied within classifications of property. If the model and year of the individual automobile are not listed in the recognized pricing guide, the taxpayer may present to the commissioner proof of the original cost, and the basis of the tax for purposes of the motor vehicle sales and use tax as described in § 58.1-2405 shall constitute proof of original cost. If such percentage or percentages of original cost do not accurately reflect fair market value, or if the taxpayer does not supply proof of original cost, then the commissioner may select another method which establishes fair market value.

4. Trucks of less than two tons, which may be valued by means of a recognized pricing guide or, if the model and year of the individual truck are not listed in the recognized pricing guide, on the basis of a percentage or percentages of original cost.

5. Trucks and other vehicles, as defined in § 46.2-100, except those described in subdivisions 4, and 6 through 10 of this subsection, which shall be valued by means of either a recognized pricing guide using the lowest value specified in such guide or a percentage or percentages of original cost.

6. Manufactured homes, as defined in § 36-85.3, which may be valued on the basis of square footage of living space.

7. Antique motor vehicles, as defined in § 46.2-100, which may be used for general transportation purposes as provided in subsection C of § 46.2-730.

8. Taxicabs.

9. Motor vehicles with specially designed equipment for use by the handicapped, which shall not be valued in relation to their initial cost, but by determining their actual market value if offered for sale on the open market.

10. Motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles as defined in § 46.2-100, campers and other recreational vehicles, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.

11. Boats weighing under five tons and boat trailers, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.

12. Boats or watercraft weighing five tons or more, which shall be valued by means of a percentage or percentages of original cost.

13. Aircraft, which shall be valued by means of a recognized pricing guide or a percentage or percentages of original cost.

14. Household goods and personal effects, except as exempted under § 58.1-3504.

15. Tangible personal property used in a research and development business, which shall be valued

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59 by means of a percentage or percentages of original cost.

60 16. Programmable computer equipment and peripherals used in business which shall be valued by
61 means of a percentage or percentages of original cost to the taxpayer, or by such other method as may
62 reasonably be expected to determine the actual fair market value.

63 17. Computer equipment and peripherals used in a data center, as defined in subdivision A 43 42 of
64 § 58.1-3506, which shall be valued by means of a percentage or percentages of original cost, or by such
65 other method as may reasonably be expected to determine the actual fair market value.

66 18. All tangible personal property employed in a trade or business other than that described in
67 subdivisions 1 through 17, which shall be valued by means of a percentage or percentages of original
68 cost.

69 19. Outdoor advertising signs regulated under Article 1 (§ 33.2-1200 et seq.) of Chapter 12 of Title
70 33.2.

71 20. *Forest harvesting and silvicultural equipment, except as exempted under § 58.1-3505.*

72 21. All other tangible personal property.

73 B. Methods of valuing property may differ among the separate categories, so long as each method
74 used is uniform within each category, is consistent with requirements of this section and may reasonably
75 be expected to determine actual fair market value as determined by the commissioner of revenue or
76 other assessing official; however, assessment ratios shall only be used with the concurrence of the local
77 governing body. A commissioner of revenue shall upon request take into account the condition of the
78 property. The term "condition of the property" includes, but is not limited to, technological obsolescence
79 of property where technological obsolescence is an appropriate factor for valuing such property. The
80 commissioner of revenue shall make available to taxpayers on request a reasonable description of his
81 valuation methods. Such commissioner, or other assessing officer, or his authorized agent, when using a
82 recognized pricing guide as provided for in this section, may automatically extend the assessment if the
83 pricing information is stored in a computer.

84 **§ 58.1-3505. Classification of farm animals, certain grains, agricultural products, farm**
85 **machinery, farm implements and equipment; governing body may exempt.**

86 A. Farm animals, grains and other feeds used for the nurture of farm animals, agricultural products
87 as defined in § 3.2-6400, farm machinery and farm implements are hereby defined as separate items of
88 taxation and classified as follows:

89 1. Horses, mules and other kindred animals.

90 2. Cattle.

91 3. Sheep and goats.

92 4. Hogs.

93 5. Poultry.

94 6. Grains and other feeds used for the nurture of farm animals.

95 7. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100 and other agricultural
96 products in the hands of a producer.

97 8. Farm machinery other than the farm machinery described in subdivision 10, and farm implements,
98 which shall include (i) equipment and machinery used by farm wineries as defined in § 4.1-100 in the
99 production of wine; (ii) equipment and machinery used by a nursery as defined in § 3.2-3800 for the
100 production of horticultural products; and (iii) any farm tractor as defined in § 46.2-100, regardless of
101 whether such farm tractor is used exclusively for agricultural purposes.

102 9. Equipment used by farmers or farm cooperatives qualifying under § 521 of the Internal Revenue
103 Code to manufacture industrial ethanol, provided that the materials from which the ethanol is derived
104 consist primarily of farm products.

105 10. Farm machinery designed solely for the planting, production or harvesting of a single product or
106 commodity. *For the purposes of this subdivision, "farm machinery" includes any machinery designed*
107 *solely for the planting, production, or harvesting of any agricultural product, as defined in § 3.2-6400.*

108 11. Privately owned trailers as defined in § 46.2-100 that are primarily used by farmers in their
109 farming operations for the transportation of farm animals or other farm products as enumerated in
110 subdivisions A 1 through A 7 of this section.

111 12. Motor vehicles that are used primarily for agricultural purposes, for which the owner is not
112 required to obtain a registration certificate, license plate, and decal or pay a registration fee pursuant to
113 § 46.2-665, 46.2-666, or 46.2-670.

114 13. Trucks or tractor trucks as defined in § 46.2-100, that are primarily used by farmers in their
115 farming operations for the transportation of farm animals or other farm products as enumerated in
116 subdivisions 1 through 7 or for the transport of farm-related machinery.

117 B. The governing body of any county, city or town may, by ordinance duly adopted, exempt in
118 whole or in part from taxation, or provide a different rate of tax upon, all or any of the above classes of
119 farm animals, grains and feeds used for the nurture of farm animals, farm vehicles, and farm machinery,
120 implements or equipment set forth in subsection A.

C. Grain; tobacco; wine produced by farm wineries as defined in § 4.1-100; and other agricultural products, as defined in § 3.2-6400, shall be exempt from taxation under this chapter while in the hands of a producer.

§ 58.1-3506. Other classifications of tangible personal property for taxation.

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. a. Boats or watercraft weighing five tons or more, not used solely for business purposes;

b. Boats or watercraft weighing less than five tons, not used solely for business purposes;

2. Aircraft having a maximum passenger seating capacity of no more than 50 that are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;

3. Aircraft having a registered empty gross weight equal to or greater than 20,000 pounds that are not owned or operated by scheduled air carriers recognized under federal law, but not including any aircraft described in subdivision 4;

4. Aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public and otherwise used for educational purposes (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) airshow and flight demonstrations (including such flights necessary for testing, maintaining, or preparing such aircraft for safe operation), shall constitute a new class of property. Such class of property shall not include any aircraft used for commercial purposes, including transportation and other services for a fee;

5. All other aircraft not included in subdivisions A 2, A 3, or A 4 and flight simulators;

6. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;

7. Tangible personal property used in a research and development business;

8. Heavy construction machinery not used for business purposes, including land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, ~~forest harvesting and silvicultural activity equipment~~ and ditch and other types of diggers;

9. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;

10. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;

11. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;

12. Privately owned pleasure boats and watercraft, 18 feet and over, used for recreational purposes only;

13. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

14. Motor vehicles specially equipped to provide transportation for physically handicapped individuals;

15. Motor vehicles (i) owned by members of a volunteer emergency medical services agency or a member of a volunteer fire department or (ii) leased by volunteer emergency medical services personnel or a member of a volunteer fire department if the volunteer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is owned by each volunteer member who meets the definition of "emergency medical services personnel" in § 32.1-111.1 or volunteer fire department member, or leased by each volunteer member who meets the definition of "emergency medical services personnel" in § 32.1-111.1 or volunteer fire department member if the volunteer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief of the volunteer emergency medical services agency or volunteer fire department, that the volunteer is an individual who meets the definition of "emergency medical services personnel" in § 32.1-111.1 or a member of the volunteer fire department who regularly responds to calls or regularly performs other duties for the emergency medical services agency or fire department, and the motor vehicle owned or leased by the volunteer is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the

182 commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good
183 cause shown and without fault on the part of the volunteer, to accept a certification after the January 31
184 deadline. In any county that prorates the assessment of tangible personal property pursuant to
185 § 58.1-3516, a replacement vehicle may be certified and classified pursuant to this subsection when the
186 vehicle certified as of the immediately prior January date is transferred during the tax year;

187 16. Motor vehicles (i) owned by auxiliary members of a volunteer emergency medical services
188 agency or volunteer fire department or (ii) leased by auxiliary members of a volunteer emergency
189 medical services agency or volunteer fire department if the auxiliary member is obligated by the terms
190 of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is
191 regularly used by each auxiliary volunteer fire department or emergency medical services agency
192 member may be specially classified under this section. The auxiliary member shall furnish the
193 commissioner of revenue, or other assessing officer, with a certification by the chief of the volunteer
194 emergency medical services agency or volunteer fire department, that the volunteer is an auxiliary
195 member of the volunteer emergency medical services agency or fire department who regularly performs
196 duties for the emergency medical services agency or fire department, and the motor vehicle is identified
197 as regularly used for such purpose; however, if a volunteer meets the definition of "emergency medical
198 services personnel" in § 32.1-111.1 or volunteer fire department member and an auxiliary member are
199 members of the same household, that household shall be allowed no more than two special
200 classifications under this subdivision or subdivision 15. The certification shall be submitted by January
201 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of
202 revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and
203 without fault on the part of the auxiliary member, to accept a certification after the January 31 deadline;

204 17. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound
205 persons or provide transportation to senior or handicapped citizens in the community to carry out the
206 purposes of the nonprofit organization;

207 18. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as
208 defined in § 46.2-1500, which are used for recreational purposes only, and privately owned trailers as
209 defined in § 46.2-100, which are designed and used for the transportation of horses except those trailers
210 described in subdivision A 11 of § 58.1-3505;

211 19. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,
212 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as
213 certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written
214 statement to the commissioner of revenue or other assessing officer from the Department of Veterans
215 Services that the veteran has been so designated or classified by the Department of Veterans Services as
216 to meet the requirements of this section, and that his disability is service-connected. For purposes of this
217 section, a person is blind if he meets the provisions of § 46.2-100;

218 20. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police
219 officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons
220 who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms
221 of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is
222 regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially
223 classified under this section. In order to qualify for such classification, any auxiliary police officer who
224 applies for such classification shall identify the vehicle for which this classification is sought, and shall
225 furnish the commissioner of revenue or other assessing officer with a certification from the governing
226 body that has appointed such auxiliary police officer or from the official who has appointed such
227 auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who
228 regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for
229 which the classification is sought is the vehicle that is regularly used for that purpose. The certification
230 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
231 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,
232 and for good cause shown and without fault on the part of the member, to accept a certification after the
233 January 31 deadline;

234 21. Until the first to occur of June 30, 2019, or the date that a special improvements tax is no longer
235 levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created
236 pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in
237 manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District,
238 provided that such business personal property is put into service within the District on or after July 1,
239 1999;

240 22. Motor vehicles which use clean special fuels as defined in § 46.2-749.3, which shall not include
241 any vehicle described in subdivision 38 or 40;

242 23. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility that is properly
243 licensed by the federal government, the Commonwealth, or both, and that is properly zoned for such

use. "Wild animals" means any animals that are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals that are found in the wild, or in a wild state, and are native to a foreign country;

24. Furniture, office, and maintenance equipment, exclusive of motor vehicles, that are owned and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and that is used by that organization for the purpose of maintaining or using the open or common space within a residential development;

25. Motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;

26. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 20 A 21, except for subdivision A 18, of § 58.1-3503;

27. Programmable computer equipment and peripherals employed in a trade or business;

28. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational purposes only;

29. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational purposes only;

30. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;

31. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;

32. Motor vehicles (i) owned by persons who serve as auxiliary, reserve, volunteer, or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve, volunteer, or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve, volunteer, or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

33. ~~Forest harvesting and silvicultural activity equipment;~~

34. Equipment used primarily for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as defined in § 32.1-162.21 or for products or purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means equipment directly used in activities associated with the science of living things;

~~35.~~ 34. Boats or watercraft weighing less than five tons, used for business purposes only;

~~36.~~ 35. Boats or watercraft weighing five tons or more, used for business purposes only;

36. Tangible personal property which is owned and operated by a service provider who is not a CMRS provider and is not licensed by the FCC used to provide, for a fee, wireless broadband Internet service. For purposes of this subdivision, "wireless broadband Internet service" means a service that enables customers to access, through a wireless connection at an upload or download bit rate of more than one megabyte per second, Internet service, as defined in § 58.1-602, as part of a package of services sold to customers;

~~38.~~ 37. Low-speed vehicles as defined in § 46.2-100;

~~39.~~ 38. Motor vehicles with a seating capacity of not less than 30 persons, including the driver;

~~40.~~ 39. Motor vehicles powered solely by electricity;

~~41.~~ 40. Tangible personal property designed and used primarily for the purpose of manufacturing a product from renewable energy as defined in § 56-576;

~~42.~~ 41. Motor vehicles leased by a county, city, town, or constitutional officer if the locality or

305 constitutional officer is obligated by the terms of the lease to pay tangible personal property tax on the
306 motor vehicle;

307 ~~43.~~ 42. Computer equipment and peripherals used in a data center. For purposes of this subdivision,
308 "data center" means a facility whose primary services are the storage, management, and processing of
309 digital data and is used to house (i) computer and network systems, including associated components
310 such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii)
311 systems for monitoring and managing infrastructure performance; (iii) equipment used for the
312 transformation, transmission, distribution, or management of at least one megawatt of capacity of
313 electrical power and cooling, including substations, uninterruptible power supply systems, all electrical
314 plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data
315 communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security
316 systems and services;

317 ~~44.~~ 43. Motor vehicles (i) owned by persons who serve as uniformed members of the Virginia
318 Defense Force pursuant to Article 4.2 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 or (ii) leased by
319 persons who serve as uniformed members of the Virginia Defense Force pursuant to Article 4.2
320 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 if the person is obligated by the terms of the lease to pay
321 tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by a
322 uniformed member of the Virginia Defense Force to respond to his official duties may be specially
323 classified under this section. In order to qualify for such classification, any person who applies for such
324 classification shall identify the vehicle for which the classification is sought and shall furnish to the
325 commissioner of the revenue or other assessing officer a certification from the Adjutant General of the
326 Department of Military Affairs under § 44-11. That certification shall state that (a) the applicant is a
327 uniformed member of the Virginia Defense Force who regularly uses a motor vehicle to respond to his
328 official duties, and (b) the vehicle for which the classification is sought is the vehicle that is regularly
329 used for that purpose. The certification shall be submitted by January 31 of each year to the
330 commissioner of the revenue or other assessing officer; however, the commissioner of revenue or other
331 assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on
332 the part of the member, to accept a certification after the January 31 deadline;

333 ~~45.~~ 44. If a locality has adopted an ordinance pursuant to subsection D of § 58.1-3703, tangible
334 personal property of a business that qualifies under such ordinance for the first two tax years in which
335 the business is subject to tax upon its personal property pursuant to this chapter. If a locality has not
336 adopted such ordinance, this classification shall apply to the tangible personal property for such first two
337 tax years of a business that otherwise meets the requirements of subsection D of § 58.1-3703;

338 ~~46.~~ 45. Miscellaneous and incidental tangible personal property employed in a trade or business that
339 is not classified as machinery and tools pursuant to Article 2 (§ 58.1-3507 et seq.), merchants' capital
340 pursuant to Article 3 (§ 58.1-3509 et seq.), or short-term rental property pursuant to Article 3.1
341 (§ 58.1-3510.4 et seq.), and has an original cost of less than \$500. A county, city, or town shall allow a
342 taxpayer to provide an aggregate estimate of the total cost of all such property owned by the taxpayer
343 that qualifies under this subdivision, in lieu of a specific, itemized list; and

344 ~~47.~~ 46. Commercial fishing vessels and property permanently attached to such vessels.

345 B. The governing body of any county, city or town may levy a tax on the property enumerated in
346 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax
347 and the rates of assessment shall (i) for purposes of subdivisions A 1, 2, 3, 4, 5, 6, 8, 11 through 20, 22
348 through 24, and 26 through ~~47~~ 46, not exceed that applicable to the general class of tangible personal
349 property, (ii) for purposes of subdivisions A 7, 9, 21, and 25, not exceed that applicable to machinery
350 and tools, and (iii) for purposes of subdivision A 10, equal that applicable to real property. If an item of
351 personal property is included in multiple classifications under subsection A, then the rate of tax shall be
352 the lowest rate assigned to such classifications.

353 C. Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is
354 defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed
355 for tangible personal property taxes by a county, city, or town receiving a payment from the
356 Commonwealth under Chapter 35.1 (§ 58.1-3523 et seq.) for providing tangible personal property tax
357 relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle
358 at a rate not to exceed the rates of tax and rates of assessment required under such chapter.

359 **2. That if any provision of this act is for any reason held to be invalid or unconstitutional by the**
360 **decision of a court of competent jurisdiction, that provision shall not be deemed severable, and the**
361 **whole act shall be repealed.**