

# DEPARTMENT OF TAXATION

## 2020 Fiscal Impact Statement

1. **Patron** Dave A. LaRock

3. **Committee** House Finance

4. **Title** Motor Vehicles; Personal Property Tax  
Credit for Tolls Paid

2. **Bill Number** HB 1728

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would permit any locality to provide taxpayers a credit against the amount of tangible personal property tax imposed by the locality on any qualifying vehicle. The amount of the credit would be equal the amount of tolls paid by such taxpayer for traveling on highways in the Commonwealth during the period for which the tax was imposed. The credit could not exceed the total amount of tangible personal property tax imposed on the qualifying vehicle in the period in which the tax was imposed. Further, any amount of credit could not be carried over beyond the period in which the tax was imposed.

If enacted during the Regular Session of the 2020 General Assembly, this bill would be effective July 1, 2020.

**6. Budget amendment necessary:** No

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

**8. Fiscal implications:**

Administrative Costs

This bill would have no impact on state administrative costs. However, it could result in unknown administrative costs to localities.

Revenue Impact

This bill would have no impact on state revenues, but could have an unknown impact on local revenues.

**9. Specific agency or political subdivisions affected:**

All localities

**10. Technical amendment necessary:** No

## 11. Other comments:

### Background

Personal property is defined and segregated for local taxation under state law. Personal property is divided into classifications, and all taxes are required to be uniform upon the same class of property. Automobiles are valued by means of a recognized pricing guide.

For car tax relief purposes, a qualifying vehicle is defined as any passenger car, motorcycle, autocycle, and pickup or panel truck, that is (i) privately owned; (ii) leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle; or (iii) held in a private trust for nonbusiness purposes.

### Proposal

This bill would permit any locality to provide taxpayers a credit against the amount of tangible personal property tax imposed by the locality on any qualifying vehicle. The amount of the credit would be equal the amount of tolls paid by such taxpayer for traveling on highways in the Commonwealth during the period for which the tax was imposed. The credit could not exceed the total amount of tangible personal property tax imposed on the qualifying vehicle in the period in which the tax was imposed. Further, any amount of credit could not be carried over beyond the period in which the tax was imposed.

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cc: Secretary of Finance

Date: 1/26/2020 SK  
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