

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-2403 of the Code of Virginia, relating to exemptions from the*
3 *Virginia motor vehicle sales and use tax.*

4 [H 1523]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-2403 of the Code of Virginia is amended and reenacted as follows:**

8 § 58.1-2403. Exemptions.

9 No tax shall be imposed as provided in § 58.1-2402 if the vehicle is:

- 10 1. Sold to, rented or used by the United States government or any governmental agency thereof;
- 11 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;
- 12 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;
- 13 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any
- 14 other recognized Indian tribe of the Commonwealth living on the tribal reservation;
- 15 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the
- 16 lienholder;
- 17 6. A mobile home permanently attached to real estate and included in the sale of real estate;
- 18 7. A gift to the spouse, son, or daughter of the transferor. This exemption shall not apply to any
- 19 unpaid obligation assumed by the transferee incidental to the transfer;
- 20 8. Transferred from an individual or partnership to a corporation or from a corporation to an
- 21 individual or partnership if the transfer is incidental to the formation, organization or dissolution of a
- 22 corporation in which the individual or partnership holds the majority interest;
- 23 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent
- 24 corporation to a wholly owned subsidiary;
- 25 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,
- 26 assignable title or registration issued to him by another state *and (i) has owned the vehicle for longer*
- 27 *than twelve months or (ii) has owned the vehicle for less than twelve months and provides evidence of a*
- 28 *sales tax paid to another state. However, when a vehicle has been purchased by the applicant within the*
- 29 *last twelve months and the applicant is unable to provide evidence of a sales tax paid to another state,*
- 30 *the applicant shall pay the Virginia sales tax based on the fair market value of the vehicle at the time of*
- 31 *registration in Virginia;*
- 32 11. Titled in a Virginia motor vehicle dealer's name for resale if dealer's license plates are displayed
- 33 when the vehicle is operated upon the public highways;
- 34 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban
- 35 bus line the majority of whose passengers use the buses for traveling a distance of less than forty miles,
- 36 one way, on the same day;
- 37 13. Purchased in this Commonwealth by a nonresident and a Virginia title is issued for the sole
- 38 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than
- 39 Virginia;
- 40 14. A motor vehicle designed for the transportation of ten or more passengers, purchased by and for
- 41 the use of a church conducted not for profit;
- 42 15. Loaned or leased to a private institution of learning not conducted for profit, for the sole purpose
- 43 of use in the instruction of driver's education when such education is a part of such school's curriculum
- 44 for full-time students;
- 45 16. Sold to an insurance company for the sole purpose of disposition when such company has paid
- 46 the registered owner of such vehicle a total loss claim;
- 47 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of
- 48 foreign governments, their employees or agents, and members of their families, if such persons are
- 49 nationals of the state by which they are appointed and are not citizens of the United States;
- 50 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a
- 51 hospital not conducted for profit or a cooperative hospital service organization as described in § 501 (e)
- 52 of the United States Internal Revenue Code;
- 53 19. A motor vehicle having seats for more than seven passengers and sold to a restricted common
- 54 carrier or common carrier of passengers; or
- 55 20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic
- 56 or therapeutic service, sold to, rented to, or used by a hospital not conducted for profit, or a cooperative

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57 hospital service organization as described in § 501 (e) of the United States Internal Revenue Code, or a
58 nonprofit corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research
59 in, diagnosis of, or therapy for human ailments.