

**DEPARTMENT OF TAXATION  
2024 Fiscal Impact Statement**

1. **Patron** Schuyler T. VanValkenburg

3. **Committee** House Finance

4. **Title** Tangible Personal Property Tax;  
Classification; Certain Vehicles

2. **Bill Number** SB 194

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would extend from January 1, 2025, to January 1, 2027, the sunset date on the authorization for localities to assign a rate of tax or assessment different from the general tangible personal property rate on certain automobiles, passenger trucks, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles.

If enacted during the regular session of the 2024 General Assembly, this bill would become effective July 1, 2024.

**6. Budget amendment necessary:** No.

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

**8. Fiscal implications:**

Administrative Costs

This bill could have an unknown impact to administrative costs in localities that choose to apply different tax or assessment rates to the class of property identified in the bill. This bill would have no impact on state administrative costs.

Revenue Impact

This bill could have an unknown revenue impact to localities that choose to apply different tax or assessment rates to the class of property identified in the bill. This bill would have no impact on state revenues.

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

All localities.

**10. Technical amendment necessary:** No.

## 11. Other comments:

### Classification for Rate Purposes

Currently, there are forty-eight categories of property that are separately classified for tangible personal property tax purposes and that may be taxed at different rates than other tangible personal property. Localities may elect to tax four specified categories at a rate that does not exceed the rate applicable to machinery and tools, must tax vehicles without motive power designed as manufactured homes at a rate equal to the rate applied to real property, and may tax forty-one additional categories of tangible personal property at a rate that does not exceed the general rate imposed on tangible personal property.

2022 *Acts of Assembly* Chapters 30 and 578 added a new class of tangible personal property that localities may tax at a rate different from the rate applicable to the general class of tangible personal property through 2024. This new class comprises certain automobiles, passenger trucks, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles.

### Proposal

This bill would extend from January 1, 2025, to January 1, 2027, the sunset date on the authorization for localities to assign a rate of tax or assessment different from the general tangible personal property rate on certain automobiles, passenger trucks, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles.

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### Similar Legislation

**House Bill 1502** would remove the January 1, 2025, sunset date on the authorization for localities to assign a rate of tax or assessment different from the general tangible personal property rate on certain automobiles, passenger trucks, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles.

cc : Secretary of Finance

Date: 2/13/2024 AO  
SB194FE161