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HOUSE BILL NO. 447
Offered January 10, 2024
Prefiled January 8, 2024

A *BILL to amend and reenact § 58.1-1741 of the Code of Virginia, relating to motor vehicle rental and peer-to-peer vehicle sharing tax; disposition.*

Patron—Williams

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1741 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1741. Disposition of revenues.

A. After the direct costs of administering this article are recovered by the Department of Taxation, the remaining revenues collected hereunder by the Tax Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the ~~Commonwealth Transportation Fund~~ *Special Fund for Administration of Aviation Laws established by § 5.1-51*. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this article, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the ~~construction, reconstruction, and maintenance of highways and the regulation of traffic thereon~~ *purposes described in § 5.1-51* and for no other purpose.

B. However, (i) all funds collected from the additional tax imposed by subdivision A 2 of § 58.1-1736 on the rental of daily rental vehicles and, beginning July 1, 2020, and ending July 1, 2021, an amount equal to a two and one-half percent tax on peer-to-peer vehicle sharing pursuant to subsection D of § 58.1-1736 and, beginning July 1, 2021, and thereafter, an amount equal to a three percent tax on peer-to-peer vehicle sharing pursuant to subsection D of § 58.1-1736 shall be distributed quarterly to the county, city, or town wherein such vehicle was delivered to the rentee or the shared vehicle driver; (ii) except as provided in clause (iii), an amount equivalent to the net additional revenues from the motor vehicle rental tax generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, and by §§ 58.1-1735, 58.1-1736 and this section, shall be distributed to and paid into the ~~Commonwealth Transportation Fund established pursuant to § 33.2-1524, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs~~ *Special Fund for Administration of Aviation Laws established by § 5.1-51*; (iii) all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 1 of § 58.1-1736 at the tax rate in effect on December 31, 1986, and an amount equal to a four percent tax on the gross proceeds on peer-to-peer vehicle sharing pursuant to subsection D of § 58.1-1736 shall be paid by the Tax Commissioner into the state treasury and two-thirds of which shall be paid into the ~~Commonwealth Transportation Fund established pursuant to § 33.2-1524~~ *Special Fund for Administration of Aviation Laws established by § 5.1-51* and one-third of which shall be deposited into the Washington Metropolitan Area Transit Authority Capital Fund pursuant to § 33.2-3401; and (iv) all additional revenues resulting from the fee imposed under subdivision A 3 of § 58.1-1736 shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by the 2004 Session of the General Assembly.

INTRODUCED

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