

VIRGINIA ACTS OF ASSEMBLY - 2025 SESSION

CHAPTER 80

An Act to amend and reenact § 58.1-2405 of the Code of Virginia, relating to motor vehicle sales and use tax; abandoned vehicles not sold at auction.

[H 1841]

Approved March 18, 2025

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-2405 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-2405. Basis of tax.

A. In the case of the sale or use of a motor vehicle upon which the pricing information is required by federal law to be posted, the Commissioner may collect the tax upon the basis of the total sale price shown on such document; however, if the Commissioner is satisfied that the purchaser has paid less than such price, by such evidence as the Commissioner may require, he may assess and collect the tax upon the basis of the sale price so found by him. In no case shall such lesser price include credits for trade-in or any other transaction of such nature.

B. In the case of the sale or use of a motor vehicle which is not a new motor vehicle, the Commissioner may employ such publications, sources of information, and other data as are customarily employed in ascertaining the maximum sale price of such used motor vehicles but in no case shall any credit be allowed for trade-in, prior rental or any other transaction of like nature.

C. In the case of the sale or use of a motor vehicle, which is not a new motor vehicle, between individuals who are not required to be licensed as dealers or salespersons under the provisions of § 46.2-1508, the Commissioner may collect the tax upon the basis of the total sale price as established by such evidence as the Commissioner may require; provided that if such motor vehicle is no more than five years old and is listed in a recognized pricing guide, the total sale price shall not be less than the value listed in such pricing guide for such vehicle, less an allowance of \$1,500, unless the purchaser shall execute an affidavit under penalty of perjury stating a lesser total sale price and declaring such sale or use to be a bona fide transaction for full value. In using a recognized pricing guide, the Commissioner shall use the trade-in value specified in such guide, with no additions for optional equipment or subtractions for mileage, so long as uniformly applied for all types of motor vehicles. In no case shall any credit be allowed for trade-in, prior rental, or any other transaction of like nature.

D. In the case of a person who is applying for a title to an abandoned motor vehicle pursuant to § 46.2-1202.2 that (i) is in such person's possession and (ii) did not sell at auction, the Commissioner may employ such publications, sources of information, and other data as are customarily employed in ascertaining the maximum sales price of such motor vehicle.