

HOUSE BILL NO. 1474

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance

on _____)

(Patron Prior to Substitute—Delegate O'Quinn)

A BILL to amend and reenact § 58.1-1502 of the Code of Virginia, relating to Virginia aircraft sales and use tax; exception for dealers.

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-1502 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-1502. Tax levied.**

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the retail sale of every aircraft sold in the Commonwealth and upon the use in the Commonwealth of any aircraft required to be licensed by the Department of Aviation pursuant to § 5.1-5. The amount of the tax to be collected shall be determined by the application of the following rate against the sale price or gross receipts:

1. Two percent of the sale price of each aircraft sold in the Commonwealth.

2. Two percent of the sale price of each aircraft not sold in the Commonwealth but required to be licensed for use in the Commonwealth. However, if the aircraft is licensed in the Commonwealth six months or more after its acquisition, the tax shall be two percent of the market value of such aircraft at the time it is licensed or two percent of the purchase price thereof, whichever is lower.

3. Two percent of the monthly gross receipts from the lease, charter or other use of any aircraft licensed for commercial use pursuant to § 5.1-5 B and held for sale by a dealer who has elected to be taxed under this paragraph as provided in § 58.1-1507.

A transaction taxed under subdivision 1 shall not be taxed under subdivision 2, nor shall the same transaction be taxed more than once under either subdivision.

An aircraft subject to the tax under subdivision 3 shall be subject to the tax under subdivision 1 or 2 immediately upon the revocation of the commercial use license for such aircraft.

Subdivisions 1 and 2 shall not apply to any aircraft purchased for resale by a dealer.