Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 2/18/2026 5:00 PM **ORIGINAL**

Bill Number: HB1008H1 **Patron:** Tran
Bill Title: Motor vehicle sales and use tax; exemption.

Bill Summary: Provides that no motor vehicle sales and use tax will be imposed on an electric vehicle, as defined in the bill, being registered for the first time in the Commonwealth if the applicant has owned the vehicle for less than 12 months and provides evidence of purchasing the vehicle while a resident of another state.

Budget Amendment Necessary: No **Items Impacted:** None
Explanation: Indeterminate fiscal impact

Fiscal Summary: The Department of Motor Vehicles cannot determine a reasonable estimate at this time of the number of electric vehicles that may qualify to be exempted from the motor vehicle sales and use tax pursuant to this proposal. Any reduction in nongeneral fund revenue is indeterminate.

Revenue collected from the motor vehicle sales and use tax is deposited to the Commonwealth Transportation Fund, which is further distributed to specific programs and subfunds across all transportation agencies in the Commonwealth. Any loss of revenue to transportation funding may impact previously planned and programmed transportation projects and may impact funds used to support debt service on bonds previously issued.

Fiscal Analysis: See fiscal summary.

Other: None