

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-3506 of the Code of Virginia, relating to tangible personal property tax;*
 3 *electric landscaping equipment.*

4 [H 557]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3506 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-3506. Other classifications of tangible personal property for taxation.**

9 A. The items of property set forth below are each declared to be a separate class of property and shall
 10 constitute a classification for local taxation separate from other classifications of tangible personal property
 11 provided in this chapter:

12 1. a. Boats or watercraft weighing five tons or more, not used solely for business purposes;

13 b. Boats or watercraft weighing less than five tons, not used solely for business purposes;

14 2. Aircraft having a maximum passenger seating capacity of no more than 50 that are owned and operated
 15 by scheduled air carriers operating under certificates of public convenience and necessity issued by the State
 16 Corporation Commission or the Civil Aeronautics Board;

17 3. Aircraft having a registered empty gross weight equal to or greater than 20,000 pounds that are not
 18 owned or operated by scheduled air carriers recognized under federal law, but not including any aircraft
 19 described in subdivision 4;

20 4. Aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those
 21 manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public and otherwise used
 22 for educational purposes (including such flights as are necessary for testing, maintaining, or preparing such
 23 aircraft for safe operation), or (b) airshow and flight demonstrations (including such flights necessary for
 24 testing, maintaining, or preparing such aircraft for safe operation), shall constitute a new class of property.
 25 Such class of property shall not include any aircraft used for commercial purposes, including transportation
 26 and other services for a fee;

27 5. All other aircraft not included in subdivision 2, 3, or 4 and flight simulators;

28 6. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes
 29 as provided in subsection D of § 46.2-730;

30 7. Tangible personal property used in a research and development business;

31 8. Heavy construction machinery not used for business purposes, including land movers, bulldozers,
 32 front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural
 33 activity equipment except as exempted under § 58.1-3505, and ditch and other types of diggers;

34 9. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy
 35 source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other
 36 alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve
 37 more efficient use of any energy source. Such generating equipment and cogeneration equipment shall
 38 include, without limitation, such equipment purchased by firms engaged in the business of generating
 39 electricity or steam, or both;

40 10. Vehicles without motive power, used or designed to be used as manufactured homes as defined in
 41 § 36-85.3;

42 11. Computer hardware used by businesses primarily engaged in providing data processing services to
 43 other nonrelated or nonaffiliated businesses;

44 12. Privately owned pleasure boats and watercraft, 18 feet and over, used for recreational purposes only;

45 13. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons,
 46 including the driver, used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

47 14. Motor vehicles specially equipped to provide transportation for individuals with physical disabilities;

48 15. Motor vehicles (i) owned by members of a volunteer emergency medical services agency or a member
 49 of a volunteer fire department or (ii) leased by volunteer emergency medical services personnel or a member
 50 of a volunteer fire department if the volunteer is obligated by the terms of the lease to pay tangible personal
 51 property tax on the motor vehicle. One motor vehicle that is owned by each volunteer member who meets the
 52 definition of "emergency medical services personnel" in § 32.1-111.1 or volunteer fire department member,
 53 or leased by each volunteer member who meets the definition of "emergency medical services personnel" in
 54 § 32.1-111.1 or volunteer fire department member if the volunteer is obligated by the terms of the lease to
 55 pay tangible personal property tax on the motor vehicle, may be specially classified under this section,
 56 provided the volunteer regularly responds to emergency calls. The volunteer shall furnish the commissioner

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57 of revenue, or other assessing officer, with a certification by the chief of the volunteer emergency medical
58 services agency or volunteer fire department, that the volunteer is an individual who meets the definition of
59 "emergency medical services personnel" in § 32.1-111.1 or a member of the volunteer fire department who
60 regularly responds to calls or regularly performs other duties for the emergency medical services agency or
61 fire department, and the motor vehicle owned or leased by the volunteer is identified. The certification shall
62 be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however,
63 the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good
64 cause shown and without fault on the part of the volunteer, to accept a certification after the January 31
65 deadline. In any county that prorates the assessment of tangible personal property pursuant to § 58.1-3516, a
66 replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as
67 of the immediately prior January date is transferred during the tax year;

68 16. Motor vehicles (i) owned by auxiliary members of a volunteer emergency medical services agency or
69 volunteer fire department or (ii) leased by auxiliary members of a volunteer emergency medical services
70 agency or volunteer fire department if the auxiliary member is obligated by the terms of the lease to pay
71 tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by each
72 auxiliary volunteer fire department or emergency medical services agency member may be specially
73 classified under this section. The auxiliary member shall furnish the commissioner of revenue, or other
74 assessing officer, with a certification by the chief of the volunteer emergency medical services agency or
75 volunteer fire department, that the volunteer is an auxiliary member of the volunteer emergency medical
76 services agency or fire department who regularly performs duties for the emergency medical services agency
77 or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a
78 volunteer meets the definition of "emergency medical services personnel" in § 32.1-111.1 or volunteer fire
79 department member and an auxiliary member are members of the same household, that household shall be
80 allowed no more than two special classifications under this subdivision or subdivision 15. The certification
81 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;
82 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for
83 good cause shown and without fault on the part of the auxiliary member, to accept a certification after the
84 January 31 deadline;

85 17. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound persons or
86 provide transportation to senior citizens or individuals with disabilities in the community to carry out the
87 purposes of the nonprofit organization;

88 18. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as
89 defined in § 46.2-1500, which are used for recreational purposes only, and privately owned trailers as defined
90 in § 46.2-100, which are designed and used for the transportation of horses except those trailers described in
91 subdivision A 11 of § 58.1-3505;

92 19. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or
93 both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the
94 Department of Veterans Services. In order to qualify, the veteran shall provide a written statement to the
95 commissioner of revenue or other assessing officer from the Department of Veterans Services that the veteran
96 has been so designated or classified by the Department of Veterans Services as to meet the requirements of
97 this section, and that his disability is service-connected. For purposes of this section, a person is blind if he
98 meets the provisions of § 46.2-100;

99 20. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police officers
100 pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons who have been
101 so appointed to serve as auxiliary police officers if the person is obligated by the terms of the lease to pay
102 tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by each
103 auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In
104 order to qualify for such classification, any auxiliary police officer who applies for such classification shall
105 identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or
106 other assessing officer with a certification from the governing body that has appointed such auxiliary police
107 officer or from the official who has appointed such auxiliary officers. That certification shall state that the
108 applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police
109 duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly
110 used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of
111 revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be
112 authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept
113 a certification after the January 31 deadline;

114 21. Until the first to occur of June 30, 2029, or the date that a special improvements tax is no longer levied
115 under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to
116 Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in manufacturing,
117 testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such
118 business personal property is put into service within the District on or after July 1, 1999;

119 22. Motor vehicles which use clean special fuels as defined in § 46.2-749.3, which shall not include any
120 vehicle described in subdivision 38 or 40;

121 23. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility that is properly
122 licensed by the federal government, the Commonwealth, or both, and that is properly zoned for such use.
123 "Wild animals" means any animals that are found in the wild, or in a wild state, within the boundaries of the
124 United States, its territories or possessions. "Exotic animals" means any animals that are found in the wild, or
125 in a wild state, and are native to a foreign country;

126 24. Furniture, office, and maintenance equipment, exclusive of motor vehicles, that are owned and used
127 by an organization whose real property is assessed in accordance with § 58.1-3284.1 and that is used by that
128 organization for the purpose of maintaining or using the open or common space within a residential
129 development;

130 25. Motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to
131 transport property or passengers for hire by a motor carrier engaged in interstate commerce;

132 26. All tangible personal property employed in a trade or business other than that described in
133 subdivisions A 1 through A 20, except for subdivision A 18, of § 58.1-3503;

134 27. Programmable computer equipment and peripherals employed in a trade or business;

135 28. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational
136 purposes only;

137 29. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational
138 purposes only;

139 30. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;

140 31. Tangible personal property used in the provision of Internet services. For purposes of this subdivision,
141 "Internet service" means a service, including an Internet Web-hosting service, that enables users to access
142 content, information, electronic mail, and the Internet as part of a package of services sold to customers;

143 32. Motor vehicles (i) owned by persons who serve as auxiliary, reserve, volunteer, or special deputy
144 sheriffs or (ii) leased by persons who serve as auxiliary, reserve, volunteer, or special deputy sheriffs if the
145 person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For
146 purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve, volunteer, or
147 special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to
148 auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such
149 classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for
150 which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer
151 with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the
152 official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant is an
153 auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall
154 state that the vehicle for which the classification is sought is the vehicle that is regularly used for that
155 purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or
156 other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized,
157 in his discretion, and for good cause shown and without fault on the part of the member, to accept a
158 certification after the January 31 deadline;

159 33. Forest harvesting and silvicultural activity equipment, except as exempted under § 58.1-3505;

160 34. Equipment used primarily for research, development, production, or provision of biotechnology for
161 the purpose of developing or providing products or processes for specific commercial or public purposes,
162 including medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or
163 environmental purposes but not for human cloning purposes as defined in § 32.1-162.21 or for products or
164 purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means
165 equipment directly used in activities associated with the science of living things;

166 35. Boats or watercraft weighing less than five tons, used for business purposes only;

167 36. Boats or watercraft weighing five tons or more, used for business purposes only;

168 37. Tangible personal property which is owned and operated by a service provider who is not a CMRS
169 provider and is not licensed by the FCC used to provide, for a fee, wireless broadband Internet service. For
170 purposes of this subdivision, "wireless broadband Internet service" means a service that enables customers to
171 access, through a wireless connection at an upload or download bit rate of more than one megabyte per
172 second, Internet service, as defined in § 58.1-602, as part of a package of services sold to customers;

173 38. Low-speed vehicles as defined in § 46.2-100;

174 39. Motor vehicles with a seating capacity of not less than 30 persons, including the driver;

175 40. Motor vehicles powered solely by electricity;

176 41. Tangible personal property designed and used primarily for the purpose of manufacturing a product
177 from renewable energy as defined in § 56-576;

178 42. Motor vehicles leased by a county, city, town, or constitutional officer if the locality or constitutional
179 officer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle;

180 43. Computer equipment and peripherals used in a data center. For purposes of this subdivision, "data

center" means a facility whose primary services are the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance; (iii) equipment used for the transformation, transmission, distribution, or management of at least one megawatt of capacity of electrical power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services;

44. Motor vehicles (i) owned by persons who serve as uniformed members of the Virginia Defense Force pursuant to Article 4.2 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 or (ii) leased by persons who serve as uniformed members of the Virginia Defense Force pursuant to Article 4.2 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by a uniformed member of the Virginia Defense Force to respond to his official duties may be specially classified under this section. In order to qualify for such classification, any person who applies for such classification shall identify the vehicle for which the classification is sought and shall furnish to the commissioner of the revenue or other assessing officer a certification from the Adjutant General of the Department of Military Affairs under § 44-11. That certification shall state that (a) the applicant is a uniformed member of the Virginia Defense Force who regularly uses a motor vehicle to respond to his official duties, and (b) the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of the revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

45. If a locality has adopted an ordinance pursuant to subsection D of § 58.1-3703, tangible personal property of a business that qualifies under such ordinance for the first two tax years in which the business is subject to tax upon its personal property pursuant to this chapter. If a locality has not adopted such ordinance, this classification shall apply to the tangible personal property for such first two tax years of a business that otherwise meets the requirements of subsection D of § 58.1-3703;

46. Miscellaneous and incidental tangible personal property employed in a trade or business that is not classified as machinery and tools pursuant to Article 2 (§ 58.1-3507 et seq.), merchants' capital pursuant to Article 3 (§ 58.1-3509 et seq.), or short-term rental property pursuant to Article 3.1 (§ 58.1-3510.4 et seq.), and has an original cost of less than \$500. A county, city, or town shall allow a taxpayer to provide an aggregate estimate of the total cost of all such property owned by the taxpayer that qualifies under this subdivision, in lieu of a specific, itemized list;

47. Commercial fishing vessels and property permanently attached to such vessels; ~~and~~

48. The following classifications of vehicles:

a. Automobiles as described in subdivision A 3 of § 58.1-3503;

b. Trucks of less than two tons as described in subdivision A 4 of § 58.1-3503;

c. Trucks and other vehicles as described in subdivision A 5 of § 58.1-3503;

d. Motor vehicles with specially designed equipment for use by individuals with disabilities as described in subdivision A 9 of § 58.1-3503; and

e. Motorcycles, mopeds, all-terrain vehicles, off-road motorcycles, campers, and other recreational vehicles as described in subdivision A 10 of § 58.1-3503; *and*

49. *Electric-powered landscaping equipment employed in a trade or business and used to maintain commercial, public, or private gardens, lawns, trees, shrubs, or other plants, including lawn mowers, edgers, trimmers, leaf blowers, and chainsaws. Such equipment shall be operable solely by use of battery power or connection to an electric outlet.*

B. The governing body of any county, city, or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions A 1, 2, 3, 4, 5, 6, 8, 11 through 20, 22 through 24, ~~and~~ 26 through 47, *and* 49, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 7, 9, 21, and 25, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 10, equal that applicable to real property. If an item of personal property is included in multiple classifications under subsection A, then the rate of tax shall be the lowest rate assigned to such classifications.

C. Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 (§ 58.1-3523 et seq.) for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.