

Virginia Personal Property Compliance Information

Beginning July 1, 2003 Delinquent Personal Property Taxes will be subject to the Division of Motor Vehicle STOPS Program. This program will prohibit the renewal of State Vehicle License plates and or decals, until the debt is cleared. An additional fee of \$20 is charged by the State and collected when delinquent taxes are paid.

Information, which explains the Personal Property Tax Relief Act and the qualification requirements for motor vehicles in a plain English format, will be provided to motor vehicle owners. This explanation will be provided to the public in the following ways:

1. Information will be posted on the County's web site.
2. Flyers will be posted in county administrative offices, which serve the public.
3. An insert will be included with the business property tax mailing and business license applications.
4. Staff will be trained to answer questions on vehicle qualifications and assist motor vehicle owners in understanding the Personal Property Tax Relief Act.

Certification

In instances where the vehicle is valued in excess of \$1,000 with a gross weight of less than 7,501 pounds and owned by a natural person, the vehicle will be certified annually using the following methods.

Local Decals:

- Application and renewal for decals will contain a check box for owners to certify personal use.

Personal Property Tax Returns:

- Personal Property Tax Returns will contain a check box for owners to certify personal use.
- Payment of personal property can be construed as certification of use. The personal property tax form will contain the following phrase: "I certify that by paying this bill, Personal Property Tax Relief is given only to personal use vehicles."

Business License:

Application for and renewal of Business Licenses will request information on any motor vehicles used in their business and the percentage of use.

DMV certification will be used when the necessary information is otherwise unavailable.

In the absence of any indication of usage, a statutory assessment may be used.

Compliance:

DMV information will be used for verification purposes where applicable. Internal systems checks will be performed to ensure that registrations contain the following:

Registration is to a natural person, including joint owners.

Identification number used is a social security number rather than a federal employment identification number.

Motor vehicle is not registered for business use, farm use, for hire or as a motor home.

Checks used for payment are not drawn on business accounts.

Vehicle weight is not in excess of 7,500 pounds.

All leased vehicles are leased to a natural person or a living trust.

Payment has been received from motor vehicle owner prior to submission for reimbursement. Any uncollectible checks or charges will be taken into account when requesting reimbursement.

The method of valuation will be 100% of the NADA trade in value for the current tax year or a percentage of the original cost and is the same method in effect on August 1, 1997.

Verification/Auditing:

Randomly select 12 vehicles identified as farm use. Verify that these vehicles did not receive personal property tax relief. (DMV farm designation may be used).

Randomly select 12 trucks. Verify gross weight limitations to ensure PPTRA qualification.

Randomly select 12 leased vehicles. Verify that the personal property tax liability is the responsibility of the lessee and that the lease is to a natural person or a living trust.

Randomly select 12 qualified vehicles. Verify that proper certification was obtained and DMV registration type indicated non-business or non-personal use.

Randomly select 12 informational returns (Schedules C, F, 2106 and 4562) received from the department of Taxation. Verify that the vehicles denoted as for non-personal use were reported and non-qualifying vehicles.

All necessary corrections will be made and this information will be forwarded to the Department of Taxation.