



TAX BULLETIN 22-4

Virginia Department of Taxation

March 23, 2022

NEW CLASS OF PERSONAL PROPERTY FOR CERTAIN TYPES OF VEHICLES

Effective March 22, 2022, House Bill 1239 (Chapter 30, *2022 Acts of Assembly*) creates a new class of tangible personal property for local personal property tax purposes. This new class of tangible personal property includes the following types of vehicles:

- Automobiles as described in *Va. Code* 58.1-3503(A)(3);
- Passenger trucks as described in *Va. Code* 58.1-3503(A)(4)-(5);
- Motor vehicles with specially designed equipment for use by the handicapped as described in *Va. Code* 58.1-3503(A)(9); and
- Motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles as described in *Va. Code* 58.1-3503(A)(10).

Localities have the option to assign a rate of tax to this class different from the rate applicable to the general class of tangible personal property. This legislation is applicable to taxable years beginning on or after January 1, 2022, but before January 1, 2025.

Under prior law, these vehicles were generally classified as general tangible personal property and not designated as a special class for rate purposes. As a result, localities were not previously authorized to tax these vehicles at a reduced rate.