

**REPORT
OF THE
REVENUE RESOURCES AND ECONOMIC COMMISSION
ON
PERSONAL PROPERTY TAXATION
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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Introduction

During 1978, Revenue Resources and Economic Commission has conducted a study of personal property taxation. The study included analysis of the law, some investigation of the impact of the tax, and examination of assessment practices and procedures throughout the State. The Commission found that the statutes are confusing and antiquated and that assessment practices are extremely varied and localized.

The report follows. Part one is a summary of recommendations, part two is the full report narrative, and part three contains proposed legislation. Additional tables are found in Personal Property Taxation in Virginia, A Staff Report to Revenue Resources and Economic Commission, 1978.

Part I

Summary of Recommendations

I. The statutes governing personal property taxation, largely in Chapter 16 Title 58 (§ 58-829 et. seq.) should be revised so as to provide a more helpful and logical framework for assessment of personal property.

II. Local assessing officers should be required to assess personal property at 100% of fair market value, beginning in 1981.

III. In order to assist in 100% assessment, the State should devise and publish by 1981 standardized depreciation schedules, classified by type of business, for assessment of machinery and tools and business personal property. In order to prevent an enormous increase in personal

property levies, localities would be prevented from realizing more than 108% of the previous year's levies in 1981.

IV. The State assistance program for personal property and machinery and tools should be improved and funded.

V. Businesses should be required to supply the assessing officers the cost and age data which is necessary for proper assessment of business property and machinery and tools.

VI. The State should publish data on personal property rates and assessment practices of localities.

Part II

Historical Information and Current Status of Personal Property Taxation

Since 1926, when the State completely abandoned it as a source of revenue, the tax on tangible personal property has been locally assessed and administered, with no State control and little State assistance. Although the Constitutional framework for levying the tax has been in relatively good shape, especially after it was clarified in the revision of 1971, the statutory provisions governing the use of the tax have not been seriously examined for many years, and have become more confusing and unclear with each attempt at patchwork.

Because the statutes give little guidance and the State has assumed no leadership role as it has in real property taxation, and because expertise in personal property assessment is hard to come by, local practices differ widely, and many or most could be improved.

I. The Constitutional and statutory framework

Most of the provisions of the Constitution governing the personal

property tax are designed to ensure that the tax is used equitably. They apply equally to the taxation of real and personal property.

Article X, Section 1 provides in part:

All property, except as hereinafter provided, shall be taxed. All taxes shall be levied and collected under general laws and shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax

The General Assembly may define and classify taxable subjects

There are several rules set forth here:

- A. All property is to be taxed unless the Constitution gives or permits an exemption (see the discussion of exemptions in Article X, Section 6, below);
- B. The levy and collection of property taxes must be under general laws;
- C. Taxes must be uniform within each class of taxable subjects;
- D. Only the General Assembly may separate property into classes, and thereby permit variation in the rate of taxation.

Article X, Section 2 provides in part:

All assessments of real estate and tangible personal property shall be at their fair market value, to be ascertained as prescribed by law

Article X, Section 4 states:

Real estate, coal and other mineral lands, and tangible personal property, except the rolling stock of public service corporations, are hereby segregated for, and made subject to, local taxation only, and shall be assessed for local taxation in such manner and at such times as the General Assembly may prescribe by general law.

These provisions establish that assessments are to be at fair market value, and that real and tangible personal property are to be taxed only at the local level. They also assert the responsibility of the General Assembly over the entire process. Sections 1, 2, and 4 each require State legislative guidance.

II. Segregation: distinguishing tangible personal property from intangible and real property.

Although the Constitutional provisions quoted above are straightforward enough, the statutes and historical gloss make the total picture far from clear. In the first place, tangible personal property must be distinguished from intangible property, as intangible personal property, except merchants' capital, can be and is taxed by the State and not by localities.

In the early part of this century, there was a State property tax on all types of property. It is clear from the debates at the Constitutional Convention of 1902 that administration of this tax was less than ideal. Widespread evasion of the tax on intangibles, and inadequate appraisal of tangible property, were two of the major problems.

Although there was a Statewide tax as well as local taxes, appraisals for tax purposes were done locally: real estate by court-appointed freeholders and personal property by elected commissioners of the revenue. As one would expect, property was not overvalued. There was a sort of competition to see which jurisdiction could assess the lowest, as no local citizen or elected official was anxious to make his jurisdiction pay a higher percentage of the State tax burden by making realistic appraisals. It is partly for this reason that the use of an assessment

ratio, certifying values at a percentage of true value, became prevalent. This device made it possible to achieve approximate uniformity within the jurisdiction and yet maintain low values for the State tax.

In 1915 real estate and tangible personal property were partially segregated by statute for local taxation, and intangible personal property for State taxation. Segregation was made complete by statute in 1926. See § 58-9. The predecessor of Article X, Section 4 was included in the Constitution in the revision of 1928.

Although the Constitution did not segregate intangible personal property for State taxation, the State retained by statute the exclusive power to tax it. Historically, capital of a trade or business has been considered intangible personal property, and capital has been defined to include such tangible items as inventory and certain business equipment, including delivery trucks. In a landmark case decided in 1942, the Supreme Court of Virginia held that a delivery truck is intangible if the General Assembly says so. See City of Roanoke v. Michael's Bakery Corp., 180 Va. 132, 21 S.E. 2d 788 (1942). The Court based its decision on the fact that at the time of the 1928 Constitutional revision and for many years previously, "capital" and "intangible personal property" had been defined by statute to include such tangible items. Localities therefore have no power to levy a personal property tax on those items treated as capital under §§ 58-411 and 58-412 of the Code. Section 58-412 has often been revised, both to take out certain items and make them subject to local taxation (for instance, motor vehicles and delivery equipment were removed in 1973), and to add businesses taxable on capital (dry cleaning and laundry businesses were added in 1976). The changes

are of some importance to the business involved, as the State tax on capital is \$.30 cents per \$100 of value, and the personal property rates of most jurisdictions are far higher. The capital tax now applies to inventory, the excess of accounts receivable over accounts payable, and business equipment other than motor vehicles and machinery and tools, owned by manufacturing, mining, processing, reprocessing, radio or television broadcasting, dairy, dry cleaning and laundry businesses. See §§ 58-410 through 58-412. These items are excluded from local taxation. Likewise excluded from the tangible personal property tax is inventory of merchants, which must be taxed (if at all) as merchants' capital.

As can be seen, the definition of capital for State tax purposes has a significant effect on local revenues and on the tax burden of certain businesses. The distinction between tangible and intangible personal property is important in another context. The Constitutional revision of 1971 gave the General Assembly the power to exempt classes of intangible personal property from taxation. See Article X, Section 6(a)(5). Widespread evasion had made the taxing of certain types of property futile and inequitable. Although the General Assembly had previously acted to exempt such property as money (§ 58-408), bonds (§§ 58-406 and 58-407) and stocks (§ 58-409) by citing the income and franchise taxes as taxes "in lieu of" tax on such property, the action was of questionable constitutionality. The 1971 revision clearly authorized those exemptions. What is not clear is the extent to which the General Assembly may go, under the rationale of the Michael's Bakery case, in exempting property which is in fact tangible. It would appear that the

General Assembly could exempt any property traditionally included in the definition of capital, such as inventory or business equipment. Moreover, if the recent actions of the General Assembly imposing the capital tax on additional businesses, such as laundry and dry cleaning, are constitutional, the General Assembly may in fact exempt the "capital" of new businesses if it chooses.

The distinction between real and personal property has been established by case law. Transcontinental Gas Pipe Line Corp. v. Prince William City, 210 Va. 550, 172 S.E. 2d 757 (1970) was a recent case in which the Court reiterated the general rule: property is personal property for tax purposes if its location and character show that the owner's intention was that it be moveable. Such things as the size of the property, the degree of attachment to the realty, and the nature of any agreement governing its treatment are evidence of the owner's intention.

There are several categories of property which are exceptions to the general rule. For example, toll bridges are clearly listed in § 58-829 as personalty. Two categories of property, machinery and tools and mobile homes, are separately classified in such a way as to make their status as real or personal irrelevant to their treatment for tax rate purposes. (See §§ 58-831 and 58-412 for machinery and tools; § 58-829.3 for mobile homes). Both types are essentially personal property, but can be attached to the land in such a way as to make them real estate. Machinery and tools are often taxed at the personal property rate; mobile homes must be taxed at the real estate rate. Section 58-829.3 authorizes the appraisal of mobile homes by the square foot as if

they were real estate. For purposes of this study, both types will be considered personal property.

Although the separate classification of mobile homes avoids haggles over applicable tax rates, it does not solve two important problems. First, the federal Soldiers and Sailors Civil Relief Act prohibits a State or local government from taxing the personal property of a serviceman who claims domicile in another state. His real property is taxable. The Common law rule stated above in the Transcontinental case governs whether a mobile home is realty or personalty for this purpose. Secondly, Article X, Section 6(b) authorizes tax relief for real property which is the sole dwelling of persons over sixty-five years of age. The common law rules limit the power of the General Assembly to classify mobile homes as realty. Section 58-760.1 as amended in 1978 applies the rule to the specific circumstances of mobile homes.

III. Classification

Pursuant to its authority to classify (Article X, Section 1 of the Constitution), the General Assembly has designated the following for separate treatment:

- A. Public service corporation property (see § 58-512.1; Southern Ry. v. Commonwealth, 211 Va. 210, 176 S.E. 2d 578 (1970)). Public service property is beyond the scope of this study.
- B. Machinery and tools (§ 58-831, 58-412).
- C. Mobile homes (§ 58-829.3).
- D. Boats under five tons (§ 58-829.2).
- E. Aircraft (§ 58-851).
- F. Commuter aircraft (§ 58-829.5).
- G. Antique automobiles (§ 58-851).
- H. Tangible personal property used in research and development (§ 58-851).

In addition, there are two sets of classes for exemption purposes. These are household goods and personal effects, a list of eight categories found in § 58-829.1; and farm animals, products and machinery, found in § 58-829.1:1. A locality may exempt any or all of the categories in each section.

In addition to the classification described above, which permits differentiation in the rate of tax, there is the list of categories in § 58-829, originally a mere listing of personal property, which was held by the Supreme Court to permit differentiation in the manner of appraisal. See Cross v. City of Newport News, 217 Va. 202; 228 S.E. 2d 113 (1976). As the Court decision was somewhat difficult to interpret, the 1978 Session of the General Assembly revised § 58-829 to state:

"The following categories are not to be considered separate classes for rate purposes, but separate categories for valuation purposes. Methods of valuing property may differ among the separate categories listed below, so long as each method used may reasonably be expected to determine actual fair market value . . ."

All of the classification and category sections listed above need examination and revision. Much of the list of property in § 58-829 is obsolete, as the categories make little sense either as classes or as valuation categories. There is overlap between §§ 58-829 and 58-829.1, (exemption of household goods) and between §§ 58-829.1:1 (exemption of farm property) and the separate classes listed in § 58-851.

IV. Taxation at Fair Market Value

Although the Constitution has required assessment at fair market value since 1902, the provision has been honored more in the breach than the observance. See the discussion of the subject in the

Commentary on Article X, Section 2 in The Constitution of Virginia;
Report of the Commission on Constitutional Revision (1969). This
statement has been true both of real and personal property taxation. Not
only was no real effort made to determine market value in the first
instance; an assessment ratio was applied to the appraised value before
the assessed value was certified. Although the assessment ratio was not
published and was unconstitutional, it was almost universally used and
was a matter of common knowledge among assessment and government officials.

The existence of the assessment ratio is understandable considering
the fact that there was for many years a State property tax based on
locally established values. Its persistence is understandable also, not
only because of its role in preventing taxpayer objections to assessed
value, but because public service corporation property is assessed at
40% of true value. (The so-called Bemis formula, found in § 58-512.1,
was initiated in 1966 to phase out this treatment over a twenty-year
period.) The lower the locality's assessment ratio, the more the tax
burden was shifted to public service corporations.

Changes to § 58-760 enacted in 1975 outlawed the assessment ratio
for real property, also during a phase-out period. It is still used in
personal property assessment.

There is little statutory guidance for officials in obtaining fair
market value assessment. Section 58-835 provides that the value of
personal property must be established as of January first of each year,
(but see § 58-851.7, which permits localities to use a July one assessment
date) and §§ 58-864 states that the commissioner of the revenue is to
assess it at fair market value. Section 58-829.3 requires that mobile
homes be assessed at the same rate and ratio as real property. The only

State assistance that is available, besides the course that has been offered at the school of assessment officials the last few years, is in the area of machinery and tools. Since it was first recommended in the Report of the Commission of State and Local Revenues and Expenditures and Related Matters (1963), some State assistance in assessing machinery and tools has been provided localities on request. The appropriations for such help have been minimal.

V. Exemptions

Exemptions from property taxation are prescribed and limited by Article X, Section 6. That section contains the following categories:

- A. Governmental property and property belonging to charitable or eleemosynary organizations or organizations which the State wishes to encourage. (Article X, Section 6(1), (2), (3), (4) and (6), and § 6(f). These are exempted by the Constitution directly or by action of the General Assembly.
- B. Intangible personal property, or classes or such property which may be exempted by the General Assembly. (§ 6(a)(5)).
- C. Pollution control equipment or solar energy equipment, which may be exempted directly by the General Assembly or by localities under enabling legislation. (§ 6(d)).
- D. Household goods and personal effects, and tangible farm property or products, or classes of such property which may be exempted by the General Assembly or by localities under enabling legislation. (§ 6(e)).

Statutory provisions on exemptions in §§ 58-12 through 58-12.93

list organizations which are exempted by General Assembly action. Enabling

legislation permits localities to exempt household goods and personal effects (§ 59-829.1), farm property or products (§ 58-829.1:1), solar energy equipment (§ 58-16.4) and pollution control equipment (§ 58-16.3).

Other provisions limit exemptions. Although there is much statutory language limiting and describing exemptions, most of it is only incidentally applicable to personalty, and some provisions do not apply to personalty. See for instance § 58-14, which subjects to tax any exempt building or land which is used as a source of revenue or profit, and §§ 58-14.1 and 58-14.2, which require a locality to list on its land books all tax exempt real estate, and permit a locality to require biennial application for exemption. Two important provisions which do apply to exempt personal property are §§ 58-831.1 and 58-831.2, which make the owner of personal property leased to a government, and the lessee of property leased from a government, subject to tax on that property.

VI. Administrative provisions

Statutes governing administration of the tax cover reporting, locating property, determining situs, and preparation of the personal property book.

The first step in locating property is the receipt of a return. Section 58-837 requires all taxpayers to file their personal property returns on or before May one of each year. Section 58-847 permits localities to set a different date for filing returns, and to prescribe penalties for failure to file. If he does not receive a return, the commissioner of the revenue can, under § 58-838, assess the property from the best information he can obtain. This means that the taxpayer

who fails to file a return has no recourse from a reasonable, even though wrong, assessment made by the commissioner. The commissioner also has power under § 58-860 to require the taxpayer to come to his office and answer questions under oath. It appears that this provision is seldom used.

There are several other aids to the assessing officer in locating property. He receives from the Division of Motor Vehicles the list of motor vehicles licensed in his locality, and from the taxpayers or the Tax Department copies of depreciation schedules filed with State income tax returns. (See § 58-151.006). Under § 58-863.1 operators of apartments, trailer camps, marinas and private airports must submit lists of lessees. Sections 58-866 through 58-873 require reports from fiduciaries, and § 58-837 requires lessees of tangible personal property used in businesses to file returns, including names and addresses of the owners of the property.

Section 58-20 of the Code and case law interpreting it show to whom property is to be taxed.

Situs, or the location of property for tax purposes, can present difficult problems. The general rule for the tax location of property is stated in § 58-834:

The situs for the assessment and taxation of tangible personal property, merchants' capital and machinery and tools shall in all cases be the county, district, town or city in which such property may be physically located on the first day of the tax year, except the situs for purposes of assessment of motor vehicles, travel trailers, boats and airplanes as personal property shall be the county, district, town or city where the vehicle is normally garaged, docked or parked

The rule enunciated in the first clause, that property has its situs where it is physically located on the tax day, was originally intended to overrule the common law principle that the situs of moveable property is that of its owner (*mobilia sequuntur personam*). In applying the statutory rule to boats in City of Newport News v. Commonwealth, 165 Va. 635, 183 S.E. 514 (1936), the Supreme Court held that property which is intended to travel from place to place must be in a locality long enough to acquire a degree of permanency before it can be taxed there. The boat in that case was held to be taxable at the domicile of the owner, even though it was physically located in another locality on January first. The second clause quoted above codifies that rule. Boats, automobiles, and like property must therefore be taxed where they are normally garaged, docked or parked as of the tax day (usually January first. Therefore, an automobile that happens to be in Charlottesville on January first because its owner attended a New Year's Eve party is taxed at its owner's domicile, but one which belongs to a student who lives in Charlottesville attending college nine months out of the year is taxed in Charlottesville.

The situs rules have been used to exclude from all taxation certain types of property whose situs within the State is somewhat questionable. Section 58-834.1 excludes vessels regularly engaged in interstate and foreign commerce and containers used in such commerce. Although the second clause of § 58-834 should prevent the taxation of most of such property, the special statute gives security to the users of the port by preventing arguments over whether property was present in the locality long enough to have become part of the mass of property there. Section

58-834.2 limits the taxation of imports by setting a restrictive situs rule. As such imports would generally be a part of merchants' capital, the section does not affect the tangible personal property tax, but it does illustrate how an exemption from taxation can in some instances be effected by alteration of a situs rule.

The "tax day," or date as of which property is taxed, is set by § 58-4, 58-835 and 58-864 as January first of each year. However, §§ 58-851.6 and 58-851.7 permit a locality to use a fiscal tax year and to change its tax day to July first. The July first tax day has created problems for moveable property, as an item moved in the spring from a January first tax day jurisdiction to a July first tax day jurisdiction would be taxed twice for half of the year. The 1978 amendments to § 58-857.7 prescribe a refund system which should alleviate the problem. A similar problem has been created by the City of Alexandria's system (established by charter) of prorating personal property tax on automobiles, mobile homes and boats on a monthly basis. A statutory refund requirement should be considered.

Other statutory provisions govern the preparation of the personal property book and the preservation of returns (See Chapter 18 of Title 58, § 58-852, et. seq.).

VII. Suggestions for technical revision

The statutes relating to valuation of property and classification have the most serious flaws, and will therefore be examined in more detail below. Other changes which might be considered are:

- A. Consolidation and rearrangement of provisions in Chapters 16 (§ 58-829 et seq.; Tangible personal property) and 18

(§ 58-852 et seq.; Commissioners of the Revenue and Returns Generally) and provision of a better cross referencing system.

- B. Better correlation of the sections setting tax date and collection dates with §§ 58-851.6 and 58-851.7, which permit tax fiscal years and assessment as of July first, and requirement of a refund system for proration jurisdiction.

VIII. Appraisal techniques

The administration of the personal property tax involves many problems which do not arise under the real estate tax. Real property is easy to find and requires no difficult situs rules. Sales information, the most important touchstone of valuation, is a matter of public record. Almost every property generates enough tax to be worth the effort of periodic inspection and scientific appraisal.

In contrast, personal property is extremely diverse, moveable, and generally not worth item by item inspection. Although some types can readily be valued by published tables showing sales data, other types can be reasonably appraised only by determining and adjusting original cost. As the results of the two methods of appraisal are rarely consistent, tax equity problems frequently arise.

In Virginia, the problems inherent in taxation of personal property have been exacerbated by the fact that it has been of local interest only since 1926. Few local assessors have the personnel or the expertise to develop efficient and equitable appraisal techniques. Those with greater resources have been hampered by the antiquated hodge-podge of State statutes and the lack of State assistance.

Table 1 (personal property assessment), which is based on information in questionnaires sent by the Division of Industrial Development, gives a basic portrait of personal property taxation in the State, showing local methods of valuing and taxing automobiles, trucks, machinery and tools and "other personal property." Although information developed from such a questionnaire is inevitably sketchy and generalized, it gives a good and somewhat chilling portrait of tax administration in the State.

What is first obvious from Table 1 is the enormous variety. No two localities operate in the same way. The assessment ratio is greatly in evidence. In addition, many localities use a flat percentage of cost to assess types of property which are difficult to value. For purposes of comparison, we have assumed that they use percentage of cost as an effort to approximate fair market value, as an "assessment method" rather than an "assessment ratio". It is quite possible, however, that in some instances the percentage is intended to be a ratio, or both a valuing mechanism and a ratio. In fact, the extent that fudge factors are visible even in this bare bones portrait of personal property assessment is appalling.

A. Motor vehicles

The greatest degree of unanimity is found in the assessment of automobiles. The majority of localities use either the National Automobile Dealer's Association (N.A.D.A. guide, "blue book") or the National Market Reports ("red book") guide for assessing automobiles. There is no consensus whether loan value, trade-in or retail value is most appropriate. Telephone interviews established that few localities use data broken down as to make,

model, and major accessories as well as year (e.g., Henrico); many use just make, model and year (Norfolk), and some use only make and year. A few counties have a locally devised schedule even for automobiles (e.g., Petersburg, Chesterfield) and a few merely say they assess at "fair market value" (Craig, Dickenson, and Henry). This answer often means that the information on the taxpayer's return is taken as gospel. Some appear to make no effort at all to ascertain value. See for example Accomack and Buchanan.

Trucks present a more serious problem, as some types of trucks are not in the published guides, and others are so altered in value by accessories that the values given are misleading. Some localities try to work with the N.A.D.A. or National Market Reports tables to make the trucks fit (e.g., Hopewell) or supplement the books with calls to dealers (Albemarle). Others use a set depreciation schedule for trucks instead of a guide book (Henrico, Fairfax), or attempt to make two classes of trucks for valuation purposes (Campbell, Fauquier). The last two methods of coping with the problem are probably subject to Constitutional challenge under present law, notwithstanding the general approval given in Cross v. Newport News, supra. The blue book valuation method inevitably gives a different result from cost-less-depreciation. Because trucks and cars are contained in the same subsection (5) of § 58-829, they should be valued in the same way. There is certainly no authority for breaking trucks into two valuation classes. A litigant who made a careful effort to show the inconsistencies in the two methods would probably succeed in having the system struck down.

B. Other personal property

There is almost infinite variety in the methods of assessing other personal property. As the information in this category (found in

Table 1) relates primarily to business personal property, an attempt was made to get more detail through a telephone poll of a sample group of localities. Information from this poll is found in Table 2 (Local Personal Property Assessment Practices).

Business personal property is assessed by some at depreciated or book value (e.g., Alleghany, Augusta) or book value down to a minimum (Charlottesville, Staunton); by some at a flat percentage of cost (Page, Franklin City); by some according to a percentage table apparently designed to approximate depreciation (Prince George, Hopewell); and by some "at fair market value" (Amherst, New Kent). Again, it is likely that "fair market value" is whatever appears on the taxpayer's return. As the taxpayer is seldom given any guidelines, this method puts a troublesome burden on him. Although most people probably prefer to report their property honestly, they are unlikely to do so when they are certain that no checking is done and their neighbors and competitors are probably cheating with impunity.

Those using a flat percentage of cost method do not agree on the proper percentage to be used. For example, Essex uses a flat 10% of original cost; Dinwiddie a flat 20%, Frederick a flat 30%; Giles a flat 14.3%. Caroline uses 20% of cost, but its normal ratio (see automobiles) is 40%; when this is taken into account, the true assessment on business personalty is 50% of cost.

Sliding percentage tables also vary considerably; for example, Albemarle starts at 25% of original cost and depreciates over 6 years to 10%; Fauquier starts at 40% and depreciates over 5 years to 20%; Hanover starts at 60% and depreciates over 6 years to 10%; Portsmouth starts at

90% and depreciates over 8 years to 25%; Fredericksburg starts at 90% and depreciates over 5 years to 34%. No one uses the method of valuation recommended by the International Association of Assessing Officers: standardized depreciation tables categorized by type of business or type of property.

Use of depreciated or book value also leaves much to be desired, as methods of depreciation differ enormously. Because decisions on how to depreciate are usually made in order to obtain advantageous income tax treatment, the amount of depreciation claimed on a piece of property has little relationship to its actual reduction in value. For example, imagine that there were in a locality two business establishments of equal age with identical equipment, one profitable and the other unprofitable. Because of high profits, business A has been depreciating its equipment as fast as possible, by the double declining balance or sum of the years digits method. His competitor, business B, suffering low profits, has little to offset by depreciation, and is therefore using the straight line (slow) depreciation method in order to conserve some value to offset future profits. After a couple of years, business A will have a far lower personal property tax than business B. The assessor has utterly failed to obey the constitutional mandates to assess uniformly and at fair market value.

Table 2 reveals many differences in approach to the odd items of personalty not used in business. According to a survey done in 1977 by the Department of Taxation, all but eight counties and one city exempt household goods and personal effects. One of the nine jurisdictions was Fauquier, which has exempted them as of 1978. Except in the rare

jurisdiction that does make an attempt to tax such items, the only types of non-business property likely to be taxed are those subject to registration: motor vehicles, aircraft, boats, trailers and mobile homes. All of these types of property can be valued by use of published guides, and most localities seem to use them, particularly for types of property which are plentiful within the locality. Virginia Beach, for example, uses three different guides for boats in order to appraise all makes and years. Some localities appear not to use guides because there is so little property of the type covered. Dinwiddie and Russell use no guide for boats; Powhatan and Lancaster use no guide for aircraft. Others, such as Henrico and Albemarle, must have other reasons for not using them.

As explained earlier, mobile homes pose special problems because of their ambiguous nature, especially since the enactment of legislation requiring that they be treated for tax purposes as if they were real estate. Most localities appear to be using the method of appraisal by the square foot developed by Wingate Appraisal Service for the Commissioners of the Revenue Association. This guidebook is very simple--oversimplified, in fact--and easy to use. A few areas (Portsmouth, Roanoke City) are still using industry blue books, and some (Henrico) use a percentage of cost. Fairfax County has developed its own appraisal guide for mobile homes, integrated with its computerized appraisal system for real property. Table 2 shows the rate and ratio for mobile homes separately, as the real estate rate and ratio are applicable.

Livestock appears to be a trouble spot, as most local officials who must assess it realize it must be treated differently from other business property (cost is not always available, for instance) but do not

have the time or the expertise to use the available methods (livestock market prices, stud fees) to value it properly. Several localities contacted have already moved to exempt it under the recent Constitutional amendment. Pressure from farming interests is obvious in others as well; Fairfax has a one cent rate on livestock, and therefore makes no effort to find or value it. Another more questionable method of obtaining the same goal, is seen in the values applicable to livestock and farm machinery in Rockingham County. An examination of livestock assessment methods again show up multiple fudge factors. Most localities seem to set a dollar value as a guideline - horses \$100, cattle \$50, et cetera. In a county which has an assessment ratio on other types of property, these guidelines presumably take the ratio into account. In Lancaster County, beef cattle are assessed at \$40 per head, but the assessment ratio is 25%. Beef cattle are therefore being valued at \$160 per head, more realistic, but still an exceedingly low value.

C. Machinery and tools

Machinery and tools is the one area where some assistance from the State is available, though the program is not properly funded and is underutilized.

Prior to the 1960's, manufacturing machinery was lumped in with real estate for appraisal purposes. Because real property was generally reassessed only every six years, and the life of machinery is often much shorter than that of the building in which it is located, it was obviously not equitable to lump them together for tax purposes. The Commission on State and Local Revenues and Expenditures and Related Matters (1963), otherwise known as the Stanley Commission, realized that these slipshod

practices were inequitable and a threat to industrial development. They recommended that localities be required to classify, assess and levy taxes separately on machinery and tools, and that the Department of Taxation provide technical assistance in this area.

Legislation was ultimately enacted requiring a locality to classify machinery and tools separately. Although it does not prohibit a rate higher than one dollar per hundred of actual value, as recommended by the Commission, it does permit a locality to use a lower rate than that applicable to other personalty. Interestingly enough, the use of the personal property rate rather than the real property rate as the upper limit, is inconsistent with the treatment of utility property, which is taxed at the real estate rate (§ 58-514.2). This permissive low rate, and the fact that the capital tax (applicable to a manufacturer's equipment other than machinery and tools) is so low, are the only special tax incentives for industry that are offered in Virginia.

Most of the above descriptions and criticisms of the assessment of business personal property are applicable to machinery and tools. However, a comparison of the last two sets of columns in Table 1 shows the effect of the Tax Department's assistance program. Far fewer localities are assessing machinery and tools at "fair market value" or "book value" than are assessing personal property in such a fashion. The Department's program has at least convinced most localities that machinery and tools can only be properly assessed as a bookkeeping function, in relation to original cost.

What still must be accomplished is the development of a reasonable method of depreciating from cost. Any similarity between true value and

the value obtained by use of any arbitrary depreciation table or ratio is merely incidental, as machinery has varying useful lives and varying depreciation rates. A flat percentage produces a value which will approximate true value only once, if at all, during the life of the property. What is worse, it discriminates invidiously against the older plant, which will pay a higher percentage on its true value every year. In localities which use an assessment ratio, the result can be staggering. The city of Galax is one of the worst examples. It assesses automobiles and trucks at 15% of the N.A.D.A. value, and machinery and tools at 10% of original cost. When the ratio is removed, that leaves a flat rate of 66 2/3% of cost on machinery and tools. Even worse, the counties of Bedford, Russell and Smyth apply the same ratio to the retail value of a motor vehicle as to the cost of machinery and tools. Since the ratio directly affects the true rate of taxation, this practice would appear to be a violation of § 58-412, which requires that the rate of tax on machinery and tools not exceed that on other personal property.

An opposite situation results in some localities which do not enforce their published assessment methods on existing businesses. These localities discourage new industry without obtaining the appropriate revenue from old establishments.

D. Miscellaneous

The following problems were disclosed by the charts, interviews with State officials, and the telephone conversations with assessing officers:

(1) The assessment ratio is being used not only as a fudge factor, but as a tool for favoring one type of property over another

and as the ratio is the responsibility of the assessing officer, not the governing body, this practice is not legal. Rate differentials are within the power of the governing body only, and then only where statutory classification exists. The use of an assessment ratio to achieve a rate differential is evident even where no rate differential would be permitted. For instance, Charles City, Gloucester and Southampton counties assess automobiles at a higher ratio of value than other personalty; Alleghany assesses automobiles at a higher ratio of value than trucks.

(2) As far as could be discerned from the telephone poll, no locality uses the separate class for small boats in §58-829.2, nor does anyone bother to assess seines, nets, fykes and weirs separately from boats from which they are used. The "valuation classes" in § 58-829 make no sense in the modern world.

(3) The Tax Department dutifully designs a return as required by law which is adequate only for a very few localities. Even in those localities which use it, it has its limitations; it requires machinery and tools to be reported in a lump, and household goods, exempted in almost all localities, to be listed in detail.

(4) Many localities have a personal property rate more than three times as high as their real property rate. For example, see the counties of Albemarle, Dinwiddie, Henrico and Russell, and the cities of Roanoke and Hampton (Table 2: Compare the personal property rate with the mobile home rate). The practice seems somewhat inequitable. Although State legislation prohibiting a large disparity between the two rates is a possible answer, it may not be necessary, if assessment of both types of property at 100% is required.

IX. Recommendations for improving assessment practices.

Because appraisal of personal property is so very difficult, equitable assessment of personalty is an elusive goal. Even so, the practices in most Virginia localities could be improved greatly. Two ingredients are necessary: to alter the law to provide a reasonable and workable structure, and to improve local systems and expertise through State assistance and encouragement.

The first thing which should be done is to outlaw the use of assessment ratios and require assessment at one hundred per cent. The ratio is at best a confusing or fudge factor, and at worst a method of taxation by the assessing officer. In the first year of assessment at one hundred per cent, the total levy from personal property should be restricted to avoid a large increase in the effective rate of tax.

Secondly, "valuation classes" should be altered so as to reflect legitimate differences in assessment methods. Present law classifies personalty in two ways: rate or exemption classification, which permits separate rate treatment or exemption by the governing body, and "valuation" classification such as that found in § 58-829, which permits the assessing official to use different assessment methods, provided all methods are designed to approximate fair market value. Because the law is so outmoded, these tools are not of use to the assessor. These sections should be updated, particularly § 58-829, so that the types of property which must be assessed in relation to cost (i.e., most business property) are separately classified from those which can be easily valued by tables (i.e., automobiles, boats) and from those which require special expertise and methods (i.e., livestock). One problem that would not be solved by

this change would be providing equitable treatment for a business whose equipment is valued by guides (e.g., rental automobiles or boats). This problem is far less acute if assessment of business property is improved as recommended below. If complaints are still heard, a slight alteration in the classification system would be possible.

Thirdly, the assessor's hand should be strengthened in his effort to obtain the necessary data from the taxpayer. Although the necessary information can be obtained by use of tools now in the Code, they are extraordinary methods which a commissioner is understandably reluctant to use. Taxpayers should be required to furnish the assessor the necessary age and cost data for all business property.

Fourthly, some effort must be made to provide State assistance and guidance. Although appraisal of personal property is difficult, other states have developed methods which can be adapted to Virginia. Of most interest is appraisal of machinery and tools and business property. Some states appraise such property centrally or have state officials act as overseers or appellate checks on the local officials who appraise. Other states publish valuation tables and criteria for local officials, who can either be encouraged or required to use them.

Because of the tradition of local administration in Virginia, State assistance would be infinitely more acceptable than State control. Such assistance could be financed entirely by the State, or financed partly by the State and furnished to localities on a cost basis. It could be built upon the present real property and machinery and tools appraisal programs. It should be adequately funded, and include the following:

- (A) A central library with material on assessment of personal property, including appraisal guides for localities which cannot justify the expense of subscribing themselves,
- (B) A set of valuation guides and depreciation schedules for business and industrial property, broken down by type of business or industry, and developed and updated annually by the Department;
- (C) A team of experts, to help localities modernize their systems, assist in special appraisal problems, and answer specific questions;
- (D) An improved educational program for assessment of personal property.

Because uniformity in the appraisal of business property, especially machinery and tools, is of some importance to business, it would be advisable to make the use of the State depreciation schedules mandatory, except where a taxpayer can show convincingly that they are grossly inequitable. The assessing official will then have the expertise of the State to back him up, yet will have the flexibility to use his own method where equity demands it.

TABLE 1
PERSONAL PROPERTY ASSESSMENT (1977)
 (Based on Questionnaire sent by the Division of Industrial Development)

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Accomack*	Value depends on make and age and ranges from a maximum of \$800 per vehicle to a minimum of \$100.	100%	\$4.90	Value depends on make and age and ranges from a maximum of \$1,000 per vehicle to a minimum of \$100.	100%	\$4.90	New - 5% of original cost 1 - 5 years old - 3% of original cost 6 years and older - 1% of original cost	100%	\$4.90	Depreciated cost (book value)	10%	\$11.35
Albemarle	Loan value in N.A.D.A. Official Used Car Guide	100%	5.90	Loan value in N.A.D.A. Official Used Car Guide	100%	5.90	1 year old - 25% of original cost. 2 years old - 22.5% 3 years old - 20% 4 years old - 17.5% 5 years old - 15% 6 years old - 12.5% 7 years and older - 10% of original cost.	100%	5.90	Same as machinery and tools.	100%	5.90
Alleghany	Automobiles in N.A.D.A. Official Used Car Guide - Retail value	50%	5.95	Trucks in N.A.D.A. Official Used Car Guide - Retail value	40%	5.95		100%	5.95	Depreciated cost (book value)	40%	5.95
- C -				Trucks not in N.A.D.A. Official Used Car Guide - Fair market value	40%	5.95						
Amelia	Retail value in N.A.D.A. Official Used Car Guide	30%	4.00	Retail value in N.A.D.A. Official Used Car Guide	30%	4.00	Fair market value	30%	4.00	Fair market value	30%	4.90
Amherst	Retail value in Red Book, National Market Reports, Inc.	30%	3.95	Retail value in Truck Bluebook, National Market Reports, Inc.	30%	3.95	10% of original cost	100%	3.95	Fair market value	20%	3.95
Appomattox	Retail value in N.A.D.A. Official Used Car Guide	50%	3.50	Retail value in N.A.D.A. Official Used Car Guide	50%	3.50	Fair market value	12 1/2%	3.50			
Arlington	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	5.90	Small trucks - Average trade-in value in N.A.D.A. Official Used Car Guide	100%	5.90	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old and older - 20% of original cost.	100%	5.90			
				Large trucks - Average trade-in value in Truck Blue Book, National Market Reports, Inc.	100%	5.90						
Augusta	Retail value in N.A.D.A. Official Used Car Guide	40%	3.10	1 year old - 40% of original cost. 2 years old - 30% of original cost. 3 years and older - 20% of original cost.	100%	3.10	Machinery and tools bought new - 12 1/2% of original cost. (Idle equipment used for parts - 1% of cost.)	100%	3.10	Depreciated cost (book value)	40%	3.10
							Machinery and tools bought used - Depreciated cost.	40%	3.10			

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Bath*	Average trade-in value in N.A.D.A. Official Used Car Guide	60%	\$3.10	Average trade-in value in N.A.D.A. Official Used Car Guide	60%	\$3.10	Depreciated cost (book value)	30%	\$3.10	Depreciated cost (book value)	30%	\$3.10
Bedford	Retail value in Red Book, National Market Reports, Inc.	20%	4.20	Retail value in Truck Blue Book, National Market Reports, Inc.	20%	4.20	20% of original cost	100%	4.20	20% of original cost	100%	4.20
Bland*	Depreciated cost	10%	7.35	Depreciated cost	10%	7.35	10% of original cost	100%	7.35	Depreciated cost (book value)	10%	7.35
Botetourt	Retail value in Red Book, National Market Reports, Inc.	30%	5.20	Retail value in Red Book, National Market Reports, Inc.	30%	5.20	Fair market value	20%	5.20	Depreciated cost (book value)	30%	5.20
Brunswick	Loan value in N.A.D.A. Official Used Car Guide	100%	3.50	Loan value in Truck Blue Book, National Market Reports, Inc.	100%	3.50	25% of original cost	100%	3.50	Fair market value	100%	3.50 (1.70-farm)
Buchanan	Value depends on make and age and ranges from a maximum of \$460 per vehicle to a minimum of \$40	100%	5.50	Value depends on make and age and ranges from a maximum of \$460 per vehicle to a minimum of \$40	100%	5.50	Fair market value	10%	5.50	Fair market value	10%	5.50
Buckingham	Retail value in N.A.D.A. Official Used Car Guide	100%	2.00	Retail value in N.A.D.A. Official Used Car Guide	100%	2.00	Depreciated cost (book value). Cannot be less than 20% of original cost.	25%	5.15	Fair market value	100%	2.40
Campbell	Retail value in Red Book, National Market Reports, Inc.	50%	3.15	Trucks weighing two tons or less - Retail value in Red Book, National Market Reports, Inc. Trucks weighing more than two tons - 25% of original cost	50% 100%	3.15 3.15	0 - 9 years old - 20% of original cost 10 - 19 years old - 15% of original cost 20 years old and older - 10% of original cost	100%	3.15	0 - 9 years old - 25% of original cost 10 years and older - 12 1/2% of original cost	100%	3.15
Caroline	Average trade-in value in N.A.D.A. Official Used Car Guide	40%	3.35	Average trade-in value in N.A.D.A. Official Used Car Guide	40%	3.35	20% of original cost	100%	3.35	20% of original cost	100%	3.35
Carroll	Retail value in Red Book, National Market Reports, Inc.	30%	2.46	Retail value in Red Book, National Market Reports, Inc.	30%	2.46	Fair market value	30%	2.46	Fair market value	30%	2.46
Charles City	Retail value in Red Book, National Market Reports, Inc.	25%	7.00	Retail value in Red Book, National Market Reports, Inc.	25%	7.00	Fair market value	25%	3.00	Depreciated cost (book value)	100%	1.75

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Charlotte	Retail value in N.A.D.A. Official Used Car Guide	33 1/3%	\$3.20	Retail value in N.A.D.A. Official Used Car Guide	33 1/3%	\$3.20	Fair market value ^{3/}	15%	\$3.20	20% of original cost	100%	\$3.20
Chesterfield	1 year old - 70% of original cost 2 years old - 50% of original cost 3 years old - 40% of original cost 4 years old - 30% of original cost 5 years old - 20% of original cost 6 years and older - 10% of original cost	100%	3.60	1 year old - 70% of original cost 2 years old - 50% of original cost 3 years old - 40% of original cost 4 years old - 30% of original cost 5 years old - 20% of original cost 6 years and older - 10% of original cost	100%	3.60	0 - 10 years old - 25% of original cost. 11 - 20 years old - 20% of original cost. 21 years and older - 15% of original cost. Idle or unused equipment - 1% of original cost.	100% 100% 100% 100%	1.00 1.00 1.00 1.00	Same as automobiles and trucks.	100%	3.60
Clarke	Wholesale value in Red Book, National Market Reports, Inc.	100%	3.25	Wholesale value in Red Book, National Market Reports, Inc.	100%	3.25	25% of original cost	100%	3.25	Fair market value	25%	3.2
Craig	Fair market value	30%	3.50	Fair market value	30%	3.50	Fair market value	30%	3.50	Fair market value	30%	3.50
Culpeper	Average trade-in value in N.A.D.A. Official Used Car Guide	40%	4.30	Average trade-in value in Truck Blue Book, National Market Reports, Inc.	40%	4.30	20% of original cost	100%	4.30	20% of original cost	100%	4.30
Cumberland	Value depends on make and age and ranges from a maximum of \$1,300 per vehicle to a minimum of \$100.	100%	5.20	Value depends on make and age and ranges from a maximum of \$2,600 per vehicle to a minimum of \$100.	100%	5.20	Fair market value	18%	5.20	Fair market value	20%	5.20
Dickenson	Fair market value	10%	10.00	Fair market value	10%	10.00	10% of original cost	100%	10.00	Depreciated cost (book value)	10%	10.50
Dinwiddie	Loan value in N.A.D.A. Official Used Car Guide	100%	4.00	Loan value in N.A.D.A. Official Used Car Guide	100%	4.00	20% of original cost	100%	4.00	20% of original cost	100%	4.40
Essex	Loan value in N.A.D.A. Official Used Car Guide	100%	4.00	Small trucks - Loan value in N.A.D.A. Used Car Guide Large trucks - Loan value in Truck Blue Book, National Market Reports, Inc.	100% 100%	4.00 4.00	10% of original cost	100%	2.50	10% of original cost	100%	4.20

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Fairfax	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	\$4.80	year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	\$4.80	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	\$3.75	Depreciated cost (book value)	100%	\$4.80
Fauquier	Loan value in N.A.D.A. Official Used Car Guide	100%	4.35	Small trucks - Loan value in N.A.D.A. Official Used Car Guide Large trucks - 1 year old - 40% of original cost. 2 years old - 35% of original cost. 3 years old - 30% of original cost. 4 years old - 25% of original cost. 5 years and older - 20% of original cost.	100%	4.35	1 year old - 40% of original cost. 2 years old - 35% of original cost. 3 years old - 30% of original cost. 4 years old - 25% of original cost. 5 years and older - 20% of original cost.	100%	4.35	Same as machinery and tools	100%	4.70
Floyd	Retail value in N.A.D.A. Official Used Car Guide	20%	4.50	Retail value in N.A.D.A. Official Used Car Guide	20%	4.50	Depreciated cost (book value)	20%	4.50	Fair market value	15%	4.50
Fluvanna*	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.10	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.10	1 year old - 20% of original cost. 2 years and older - 13% of original cost	100%	3.10	Fair market value	100%	3.10
Franklin	Loan value in N.A.D.A. Official Used Car Guide	20%	5.40	Small trucks - Loan value in N.A.D.A. Official Used Car Guide Large trucks - Loan value in Truck Blue Book, National Market Reports, Inc.	20%	5.40	Depreciated cost (book value)	10%	5.40	Depreciated cost (book value)	10%	5.40
Frederick	Wholesale value in Red Book, National Market Reports, Inc.	100%	4.00	Average trade-in value in Truck Blue Book, National Market Reports, Inc.	100%	4.00	30% of original cost	100%	4.00	30% of original cost	100%	4.00

County	Assessment Method	Ratio	Nominal	Assessment Method	Ratio	Nominal	MACHINERY AND TOOLS			OTHER PERSONALITY		
			Rate			Rate	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	
	Average of the loan value and the retail value in N.A.D.A. Official Used Car Guide	25%	\$4.80	Average of the loan value and retail value in N.A.D.A. Official Used Car Guide	25%	\$4.80	12 1/2% of original cost	100%		14.3% of original cost	100%	\$5.05
Gloucester	Retail value in Red Book, National Market Reports, Inc.	50%	3.00	Retail value in Truck Blue Book, National Market Reports, Inc.	50%	3.00	Depreciated cost (book value)	30%	3.00	Fair market value	30%	3.25
Goochland	Loan value in Red Book, National Market Reports, Inc.	100%	3.50	Small trucks - Loan value in Red Book, National Market Reports, Inc.	100%	3.50	20% of original cost	100%	3.50	Depreciated cost (book value) Not less than 10% of original cost.	100%	
				Large trucks - Loan value in Truck Blue Book, National Market Reports, Inc.	100%	3.50						
Grayson*	Wholesale value in Red Book, National Market Reports, Inc.	16 2/3%	5.80	Wholesale value in Red Book, National Market Reports, Inc.	16 2/3%	5.80	10% of original cost	100%	5.80	Depreciated cost (book value)	16 2/3%	5.80
Greene	Retail value in N.A.D.A. Official Used Car Guide	20%	6.75	Retail value in N.A.D.A. Official Used Car Guide	20%	6.75	Fair market value ^{4/}	20%	6.75	Fair market value	20%	12.00
Greensville	Average finance value in Red Book, National Market Reports, Inc.	100%	2.00	Average finance value in Truck Blue Book, National Market Reports, Inc.	100%	2.00	20% of original cost	100%	2.00	25% of original cost	100%	2.50 (2.00-fair)
Halifax	Retail value in Red Book, National Market Reports, Inc. 1 year old - 25% 2 years and thereafter - first year assessed value is reduced by approximately 10% a year. (Minimum assessed value is \$100.)	100%	2.85	Retail value in Red Book, National Market Reports, Inc. 1 year old - 25% 2 years and thereafter - first year assessed value is reduced by approximately 10% a year. (Minimum assessed value is \$100.)	100%	2.85	15% of original cost	100%	2.85	25% of original cost	100%	2.85

County	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	MACHINERY AND TOOLS			Assessment Method	Ratio	Nominal Rate
							Assessment Method	Ratio	Nominal Rate			
Hanover	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old - 20% of original cost. 6 years and older - 10% of original cost.	100%	\$2.60	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old - 20% of original cost. 6 years and older - 10% of original cost.	100%	\$2.60	10% of original cost	100%	\$2.60	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old - 20% of original cost. 6 years and older - 10% of original cost.	100%	\$3.50
Henrico*	Loan value in N.A.D.A. Official Used Car Guide	100%	3.80	1 year old - 75% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	3.80	1 year old - 75% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	2.00	Same as machinery and tools	100%	3.80
Henry	Fair market value		5.75	Pickups - Fair market value All other trucks - 10% Original cost	25%	5.75	12% of original cost.	100%	5.75	12% of original cost.	100%	5.75
Highland	Retail value in Red Book, National Market Reports, Inc.	25%	4.00	Retail value in Truck Blue Book, National Markets, Reports, Inc.	25%	4.00	Depreciated cost (book value)	30%	4.00	Fair market value	30%	4.00
Isle of Wight	Loan value in N.A.D.A. Official Used Car Guide	100%	3.80	Loan value in N.A.D.A. Official Used Car Guide	100%	3.80	15% of original cost.	100%	3.80	Depreciated cost (book value)	50%	3.80
James City	Loan value in N.A.D.A. Official Used Car Guide	100%	4.00	Trucks weighing two tons or less - Loan value in N.A.D.A. Official Used Car Guide Trucks weighing more than two tons - 1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old - 20% of original cost.	100%	4.00	25% of original cost.	100%	4.00	25% of original cost	100%	4.00

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
King George	Loan value in Red Book, National Market Reports, Inc.	100%	\$4.00	Loan value in Red Book, National Market Reports, Inc.	100%	\$4.00	Depreciated cost (book value)	100%	\$1.50	Fair market value	100%	\$2.90
King and Queen	Retail value in Red Book, National Market Reports, Inc.	40%	2.70	Retail value in Truck Blue Book, National Market Reports, Inc.	40%	2.70	Depreciated cost (book value)	40%	2.70	Fair market value	100%	.65
King William ^{1/}	Loan value in Red Book, National Market Reports, Inc.	90%	3.90	Loan value in Red Book, National Market Reports, Inc.	90%	3.90	10% of original cost.	100%	3.90	20% of original cost.	100%	3.90
Lancaster	Retail value in N.A.D.A. Official Used Car Guide	40%	3.80	Retail value in N.A.D.A. Official Used Car Guide	40%	3.80	Fair market value	40%	3.80	Fair market value	40%	3.80
Lee*	Fair market value	8%	12.00	Fair market value	8%	12.00	Depreciated cost (book value)	5%	12.00	Depreciated cost (book value)	8%	12.00
Loudoun	1 year old - 50% of original cost. 2 years old - 40% of original cost. 3 years old - 30% of original cost. 4 years old - 20% of original cost. 5 years and older - 10% of original cost.	100%	5.00	1 year old - 50% of original cost. 2 years old - 40% of original cost. 3 years old - 30% of original cost. 4 years old - 20% of original cost. 5 years and older - 10% of original cost.	100%	5.00	1 year old - 50% of original cost. 2 years old - 40% of original cost. 3 years old - 30% of original cost. 4 years old - 20% of original cost. 5 years and older - 10% of original cost.	100%	2.35	Same as machinery and tools.	100%	5.00
Louisa	Depreciated cost	40%	3.40	Depreciated cost	40%	3.40	Fair market value	20%	3.40	Fair market value	40%	3.40
Lunenburg	Fair market value	10%	4.50	Fair market value	10%	4.50	10% of original cost.	100%	4.50	Fair market value	10%	4.50
Madison	Retail value in N.A.D.A. Official Used Car Guide	25%	3.90	Retail value in N.A.D.A. Official Used Car Guide	25%	3.90	Fair market value ^{3/}	25%	3.90	25% of original cost depreciated by 10% per year	100%	4.30
Mathews	Retail value in N.A.D.A. Official Used Car Guide	50%	2.50	Small trucks and pickups - Retail value in N.A.D.A. Official Used Car Guide	50%	2.50	Depreciated cost (book value)	50%	2.50	Fair market value	50%	2.50
				Tractors and trailers - 1 year old - 66% of original cost. 2 years old - 33% of original cost. 3 years and older - 10% of original cost.	100%	2.50						

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS					
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	
Hicklenburg	Value depends on make and age and ranges from a maximum of \$2,500 per vehicle to a minimum of \$50.	100%	\$2.80	Pickups - Value depends on age and ranges from a maximum of \$1,100 per vehicle to a minimum of \$50.	100%	2.80	Machinery and tools for which original cost can be obtained - 15% of original cost.	100%	\$2.80	If original cost is available - 1 year old - 35% of original cost. 2 years old - 33% of original cost. 3 years old - 30% of original cost. 4 years old - 25% of original cost. 5 years and older - 20% of original cost.	100%	\$3.25
				Two-ton trucks - Value depends on make and age and ranges from a maximum of \$2,500 per vehicle to a minimum of \$50.	100%	2.80						
				Tractor trailers - 1977-1967 - 20% of original cost. 1966-1960 - 15% of original cost. 1959 and older - 10% of original cost.	100%	2.80						
Middlesex	Retail value in N.A.D.A. Official Used Car Guide	35%	3.00	Small trucks - Retail value in N.A.D.A. Official Used Car Guide	35%	3.00	Depreciated cost (book value)	35%	3.00	Fair market value	35%	3.00
				Large trucks - Retail value in Truck Blue Book, National Market Reports, Inc.	35%	3.00						
Montgomery	Retail value in Red Book, National Market Reports, Inc.	33 1/3%	6.90	Retail value in Red Book, National Market Reports, Inc.	33 1/3%	6.90	10% of original cost	100%	6.90	Depreciated cost (book value)	33 1/3%	6.90
Nelson	Retail value in Red Book, National Market Reports, Inc.	100%	3.16	Retail value in Red Book, National Market Reports, Inc.	100%	3.16	Depreciated cost (book value)	100%	1.50	Depreciated cost (book value)	100%	1.00
New Kent	Retail value in Red Book, National Market Reports, Inc.	20%	5.30	Retail value in Red Book, National Market Reports, Inc.	20%	5.30	Fair market value	20%	5.30	Fair market value	100%	.85
Northampton	Retail value in Red Book, National Market Reports, Inc.	30%	6.25	Average trade-in value in N.A.D.A. Official Used Car Guide	30%	6.25	Depreciated cost (book value) Cannot be less than 10% of original cost.		6.25	Depreciated cost (book value)	15%	6.25

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			ELECTRICAL		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Northumberland	Automobiles for which original cost can be obtained : 1 year old - 50% of original cost. 2 years old - 33 1/3% of original cost. 3 years old - 25% of original cost. 4 years old - 20% of original cost. 5 years and older - fourth year assessed value is reduced by about \$100 a year.	100%	\$2.40	Trucks for which original cost can be obtained : 1 year old - 50% of original cost. 2 years old - 33 1/3% of original cost. 3 years - 25% of original cost. 4 years old - 20% of original cost. 5 years and older - fourth year assessed value is reduced by about \$100 a year.	100%	\$2.40	25% of original cost	100%	\$2.40			
	Automobiles for which original cost cannot be obtained: (Retail value in N.A.D.A. Official Used Car Guide is used as a base) 1 year old - 50% of retail value. 2 years old - 33 1/3% of retail value. 3 years old - 25% of retail value. 4 years old - 20% of retail value. 5 years and older - fourth year assessed value is reduced by about \$100 a year.	100%	2.40	Trucks for which original cost cannot be obtained: (Retail value in N.A.D.A. Official Used Car Guide is used as a base) 1 year old - 50% of retail value. 2 years old - 33 1/3% of retail value. 3 years old - 25% of retail value. 4 years old - 20% of retail value. 5 years and older - fourth year assessed value is reduced by about \$100 a year.	100%	2.40						
Nottoway	Loan value in Red Book, National Market Reports, Inc.	60%	4.00	Loan value in Red Book, National Market Reports, Inc.	60%	4.00	Depreciated cost (book value) Cannot be less than 10% of original cost.	25%	4.00	Depreciated cost (book value) Cannot be less than 10% of original cost.	25%	
Orange	Retail value in Blue Book, National Used Car Market Report	40%	5.25	Retail value in Blue Book, National Used Car Market Report	40%	5.25	Taxpayer has option of two methods: 1) 15% of original cost. 2) Depreciated cost (book value)	100% 33 1/3%	4.70 4.70	Depreciated cost (book value)	33 1/3%	2.5
Page	Value depends on weight and year model and ranges from a maximum of \$600 per vehicle to a minimum of \$5.	100%	6.85	Value depends on weight and year model and ranges from a maximum of \$600 per vehicle to a minimum of \$5.	100%	6.85	12% of original cost	100%	6.85	10% of original cost	100%	.00

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Patrick	Retail value in Red Book, National Market Reports, Inc.	30%	\$3.50	Small trucks - Retail value in Red Book, National Market Reports, Inc. Large trucks - Retail value in Truck Blue Book, National Market Reports, Inc.	30%	\$3.50	Depreciated cost (book value)	30%	\$3.50	Depreciated cost (book value)	30%	\$3.50
Pittsylvania	Wholesale value in Red Book, National Market Reports, Inc.	30%	2.75	Wholesale value in N.A.D.A. Official Used Car Guide	30%	2.75	10% of original cost.	100%	2.75	Fair market value	30%	2.75
Powhatan	Loan value in N.A.D.A. Official Used Car Guide	33 1/3%	3.90	Loan value in N.A.D.A. Official Used Car Guide	33 1/3%	3.90	10% of original cost.	100%	3.90	Fair market value	33 1/3%	3.90
Prince Edward	Loan value in N.A.D.A. Official Used Car Guide	50%	3.80	Loan value in N.A.D.A. Official Used Car Guide	50%	3.80	Depreciated cost (book value)	13%	3.80	Depreciated cost (book value)	20%	3.80
Prince George	Loan value in N.A.D.A. Official Used Car Guide	100%	3.50	Loan value in N.A.D.A. Official Used Car Guide	100%	3.50	Depreciated cost (book value) Cannot be less than 20% of original cost.	100%	1.50	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost. Depreciated cost (book value)	100%	3.50
Prince William*	Wholesale value in N.A.D.A. Official Used Car Guide	100%	4.00	Small trucks - Wholesale value in N.A.D.A. Official Used Car Guide Large trucks - Wholesale value in Truck Blue Book, National Market Reports, Inc.	100%	4.00	Depreciated cost (book value)	100%	3.15	Depreciated cost (book value)	100%	3.15
Pulaski	Average trade-in value in N.A.D.A. Official Used Car Guide	25%	4.80	Average trade-in value in N.A.D.A. Official Used Car Guide	25%	4.80	15% of original cost	100%	4.80	Fair market value	25%	4.80
Rappahannock	Loan value in Red Book, National Market Reports, Inc.	25%	4.00	Loan value in Truck Blue Book, National Market Reports, Inc.	25%	4.00	Fair market value	25%	4.00	Fair market value	25%	4.20

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Richmond	Loan value in N.A.D.A. Official Used Car Guide	100%	\$3.50	Loan value in N.A.D.A. Official Used Car Guide	100%	\$3.50	10% of original cost	100%	\$3.50	40% of original cost	100%	\$3.25
Roanoke	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	3.25	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	3.25	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	3.25	Same as machinery and tools.	100%	3.25
Rockbridge	Loan value in N.A.D.A. Official Used Car Guide	100%	4.50	Loan value in N.A.D.A. Official Used Car Guide	100%	4.50	10% of original cost	100%	4.50	25% of original cost	100%	4.50
Rockingham	Retail value in N.A.D.A. Official Used Car Guide	40%	3.00	Retail value in N.A.D.A. Official Used Car Guide	40%	3.00	Depreciated cost (book value) Cannot be less than 70% of original cost.	40%	3.00	Depreciated cost (book value)	40%	3.00
Russell	Retail value in Red Book, National Market Reports, Inc.	10%	5.25	Retail value in Red Book, National Market Reports, Inc.	10%	5.25	10% of original cost	100%	5.25	Fair market value	10%	5.75
Scott	Retail value in N.A.D.A. Official Used Car Guide	10%	10.00	Retail value in N.A.D.A. Official Used Car Guide	10%	10.00	Fair market value	10%	10.00	Fair market value	10%	10.00
Shenandoah	Retail value in Red Book, National Market Reports, Inc.	40%	2.20	Retail value in Truck Blue Book, National Market Reports, Inc.	40%	2.20	1 year old - 75% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old - 20% of original cost. 6 years and older - 10% of original cost.	100%	1.55	Fair market value	40%	2.20
Smyth	Retail value in N.A.D.A. Official Used Car Guide	10%	6.00	Retail value in N.A.D.A. Official Used Car Guide	10%	6.00	10% of original cost	100%	6.00	10% of original cost	100%	6.00

43

County	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Southampton	Loan value in Red Book, National Market Reports, Inc.	100%	\$4.00	Loan value in Red Book, National Market Reports, Inc.	100%	\$4.00	30% of original cost	100%	\$2.10	Fair market value	25%	1.00
Spotsylvania	Retail value in N.A.D.A. Official Used Car Guide	40%	2.00	Retail value in N.A.D.A. Official Used Car Guide	40%	2.00	Depreciated cost (book value)	40%	2.00	Fair market value	40%	1.00
Stafford	Retail value in Red Book, National Market Reports, Inc.	40%	2.70	Small trucks - Retail value in Red Book, National Market Reports, Inc.	40%	2.70	Fair market value	100%	.50	Fair market value	40%	2.90
				Large trucks - Fair market value	40%	2.70						
Surry	Loan value in N.A.D.A. Official Used Car Guide	95%	3.35	Loan value in N.A.D.A. Official Used Car Guide	95%	3.35	Fair market value	25%	3.35	Fair market value	25%	3.35
Sussex	Retail value in Red Book, National Market Reports, Inc.	40%	5.00	Retail value in Red Book, National Market Reports, Inc.	40%	5.00	Depreciated cost (book value)	20%	5.00	Fair market value	40%	5.00
Tazewell	Retail value in N.A.D.A. Official Used Car Guide	20%	4.40	Retail value in N.A.D.A. Official Used Car Guide	20%	4.40	Depreciated cost (book value)	30%	4.40	Depreciated cost (book value)	20%	4.30
Warren	Retail value in N.A.D.A. Official Used Car Guide	30%	6.45	Retail value in N.A.D.A. Official Used Car Guide	30%	6.45	Depreciated cost (book value)	30%	6.45	Depreciated cost (book value)	100%	1.95
Washington	Loan value in N.A.D.A. Official Used Car Guide	10%	6.90	Loan value in N.A.D.A. Official Used Car Guide	10%	6.90	10% of original cost	100%	6.90	Depreciated cost (book value)	10%	5.80
Westmoreland	Retail value in N.A.D.A. Official Used Car Guide	40%	2.20	Retail value in Truck Blue Book, National Market Reports, Inc.	40%	2.20	Fair market value	40%	2.20	Fair market value	100%	.88
Wise	Fair market value	25%	4.60	Fair market value	10%	4.60	10% of original cost	100%	4.60	Fair market value	25%	4.60
Wythe	Wholesale value in Red Book, National Market Reports, Inc.	100%	.55	Wholesale value in Red Book, National Market Reports, Inc.	100%	.55	Depreciated cost (book value)	100%	.55	Depreciated cost (book value)	100%	.56

<u>County</u>	<u>AUTOMOBILES</u>			<u>TRUCKS</u>			<u>MACHINERY AND TOOLS</u>			<u>OTHER PERSONALTY</u>		
	<u>Assessment Method</u>	<u>Ratio</u>	<u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u>	<u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u>	<u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u>	<u>Nominal Rate</u>
York	Loan value in N.A.D.A. Official Used Car Guide	100%	\$4.35	Trucks in N.A.D.A. Official Used Car Guide - Loan value			25% of original cost	100%	\$4.35	25% of original cost	100%	\$4.35
				Trucks not in N.A.D.A. Official Used Car Guide -	100%	4.35						
				1 year old - 70% of original cost.								
				2 years old - 60% of original cost.								
				3 years old - 50% of original cost.								
				4 years old - 40% of original cost.								
				5 years old - 30% of original cost.								
				6 years old - 20% of original cost.								
				7 years old - 15% of original cost.								
				8 years old - 10% of original cost.								
				9 years and older - 5% of original cost.								
				(Minimum assessed value is \$500)								

City	Assessment Method	Nominal		Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	OTHER PERSONALTY		
		Ratio	Rate							Assessment Method	Ratio	Nominal Rate
Alexandria	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	\$ 5.20	Small trucks - Average trade-in value in N.A.D.A. Official Used Car Guide	100%	\$ 5.20	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	\$ 4.50	Same as machinery and tools.	100%	\$ 5.20
				Large trucks - 1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	5.20						
Bedford	60% of original cost.	100%	1.30	60% of original cost.	100%	1.30	60% of original cost	100%	1.30	60% of original cost	100%	1.30
Bristol	Retail value in N.A.D.A. Official Used Car Guide	25%	4.00	Retail value in Truck Blue Book, National Market Reports, Inc.	25%	4.00	Larger of two methods is used. 1) 10% of original cost 2) Depreciated cost (book value)	100%	4.00	Larger of two methods is used. 1) 10% of original cost 2) Depreciated cost (book value)	100%	4.00
Buena Vista	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.60	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.60	0 - 10 years old - 20% of original cost. 11 - 20 years old - 15% of original cost. 21 years and older - 10% of original cost. Equipment not used for at least 1 year - 1% of original cost.	100%	3.60	Year of purchase: 60% of original cost. Thereafter: depreciated cost (book value), not less than 10% of original cost.	100%	3.60
Charlottesville	Loan value in N.A.D.A. Official Used Car Guide	100%	4.39	Trucks in N.A.D.A. Official Used Car Guide - Loan value	100%	4.39	Not fully depreciated, larger of two method is used: 1) Depreciated cost (book value) 2) 10% of original cost Fully depreciated: 10% of original cost.	30%	4.39	Depreciated cost (book value), not less than 10% of original cost.	30%	
				Trucks not in N.A.D.A. Official Used Car Guide - 1 year old - 80% of original cost. 2 years old - 70% of original cost. 3 years old - 60% of original cost. 4 years old - 40% of original cost. 5 years and older - 30% of original cost.	100%	4.39						
Chesapeake	Loan value in N.A.D.A. Official Used Car Guide	100%	3.12 ^{2/}	Small trucks - Loan value in N.A.D.A. Official Used Car Guide	100%	3.12 ^{2/}	20% of original cost	100%	3.12 ^{2/}	20% of original cost	100%	3.12
				Large trucks - Loan value in Truck Blue Book, National Market Reports, Inc.	100%	3.12 ^{2/}						

City	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Clifton Forge	Wholesale value in N.A.D.A. Official Used Car Guide	40%	\$4.30	Wholesale value in N.A.D.A. Official Used Car Guide	40%	\$4.30	Fair market value	40%	\$4.30	Depreciated cost (book value)	100%	\$1.72
Colonial Heights	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	2.50	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	2.50	1 year old - 90% of original cost. 2 years old - 80% of original cost. 3 years old - 70% of original cost. 4 years old - 60% of original cost. 5 years old - 50% of original cost. 6 years and older - 40% of original cost.	100%	2.00	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	2.50
Covington	Retail value in Red Book, National Market Reports, Inc.	50%	4.15	Retail value in Red Book, National Market Reports, Inc.	50%	4.15	10% of original cost	100%	4.15	Choice of two methods: 1) 10% of original cost 2) Depreciated cost (book value)	100%	4.15
Danville	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.00	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	3.00	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	3.00	Same as machinery and tools.	100%	3.00
Emporia	Loan value in Red Book, National Market Reports, Inc.	100%	5.00	Small trucks - Loan value in Red Book, National Market Reports, Inc. Large trucks - Loan value in Truck Blue Book, National Market Reports, Inc.	100%	5.00	12 1/2% of original cost	100%	5.00	30% of original cost.	100%	
Fairfax	Retail value in N.A.D.A. Official Used Car Guide	100%	2.99	If purchased on Jan. 1 of the tax year - 80% of original cost. 1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	2.99	If purchased on Jan. of tax year - 80% of original cost. 1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	2.99	Same as machinery and tools.	100%	2.99

TRUCKS

City	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Falls Church	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	\$5.50	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	\$5.50	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years old and older - 20% of original cost.	100%	\$5.50	Same as machinery and tools.	100%	
Franklin	Retail value in Red Book, National Market Reports, Inc.	100%	3.20	Small trucks - Retail value in Red Book, National Market Reports, Inc. Large trucks - 1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	3.20	30% of original cost	100%	2.00	25% of original cost	100%	3.20
Fredericksburg	Retail value in Red Book, National Market Reports, Inc.	90%	3.40	Retail value in Blue Book, National Market Reports, Inc.	90%	3.40	1 year old - 90% of original cost. 2 years old - 79% of original cost. 3 years old - 68% of original cost. 4 years old - 45% of original cost. 5 years and older - 34% of original cost.	100%	.50			
Galax	Retail value in N.A.D.A. Official Used Car Guide	15%	5.75	Retail value in N.A.D.A. Official Used Car Guide	15%	5.75	10% of original cost	100%	5.75	10% of original cost	100%	5.75
	Loan value in N.A.D.A. Official Used Car Guide	100%	4.50	Trucks in N.A.D.A. Official Used Car Guide - Loan value	100%	4.50	30% of original cost	100%	4.50	30% of original cost	100%	5.00
				Trucks not in N.A.D.A. Official Used Car Guide - 1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years and older -	100%	4.50						

City	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Harrisonburg	Average trade-in value in N.A.D.A. Official Used Car Guide	50%	\$ 2.65	Trucks in N.A.D.A. Official Used Car Guide - Average trade-in value	50%	\$ 2.65	Fair market value	50%	\$ 2.65	Fair market value	50%	\$ 2.65
				Trucks not in N.A.D.A. Official Used Car Guide - Value supplied by company or by local truck dealer (cannot be less than 20% of original cost.)	50%	2.65						
Hopewell	Retail value in Red Book, National Market Reports, Inc.	50%	4.40	Retail value in Blue Book, National Used Car Market Report	50%	4.40	20% of original cost	100%	3.07	1 year old - 50% of original cost. 2 years old - 40% of original cost. 3 years old - 30% of original cost. 4 years old - 20% of original cost. 5 years and older - 10% of original cost.	100%	4.40
Lexington	Loan value in N.A.D.A. Official Used Car Guide	100%	4.80	Loan value in N.A.D.A. Official Used Car Guide	100%	4.80	25% of original cost	100%	4.80			
Lynchburg	Retail value in N.A.D.A. Official Used Car Guide	70%	3.00	1 year old - 70% of original cost. 2 years old - 50% of original cost. 3 years old - 30% of original cost. 4 years and older - 20% of original cost.	100%	3.00	30% of original cost	100%	3.00			
Manassas	Retail value in N.A.D.A. Official Used Car Guide. Minimum assessed value is \$60.	40%	5.12	Small trucks - Retail value in N.A.D.A. Official Used Car Guide. Minimum assessed value is \$100.	40%	5.12	Owned as of 12/31/72: 20% of original cost. Purchased after 12/31/72: 40% of original cost.	100%	5.12	Depreciated cost (book value)	100%	2.11
				Large trucks - Retail value in Blue Book, National Used Car Market Report. Minimum assessed value is \$100.	40%	5.12						

City	Assessment Method	Nominal		Assessment Method	Nominal		MACHINERY AND TOOLS			Assessment Method	Ratio	Nominal Rate
		Ratio	Rate		Ratio	Rate	Assessment Method	Ratio	Nominal Rate			
Manassas Park	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	\$ 3.00	Average trade-in value in N.A.D.A. Official Used Car Guide	100%	\$ 3.00	100% of original cost	100%	\$.40	Depreciated cost (book value)	100%	\$ 3.00
Martinsville	Retail value in Red Book, National Market Reports, Inc.	40%	2.25	Retail value	40%	2.25	1 year old - 90% of original cost. 2 years old - 80% of original cost. 3 years old - 70% of original cost. 4 years old - 60% of original cost. 5 years old - 50% of original cost. 6 years old - 40% of original cost. 7 years old - 30% of original cost. 8 years and older - 25% of original cost.	100%	1.85	Same as machinery and tools.	100%	2.25
Newport News	Loan value in N.A.D.A. Official Used Car Guide	100%	5.40	Trucks weighing 15,000 lbs. or less - Loan value in N.A.D.A. Official Used Car Guide	100%	5.40	33 1/3% of original cost.	100%	4.00	33 1/3% of original cost.	100%	5.40
				Trucks weighing more than 15,000 lbs: 1 year old - 80% of original cost. 2 years old - 70% of original cost. 3 years old - 60% of original cost. 4 years old - 50% of original cost. 5 years old - 40% of original cost. 6 years old - 30% of original cost. 7 years old - 20% of original cost. 8 years old - 10% of original cost. 9 years and older - eighth year valuation is reduced 5% a year until a minimum of \$100 is reached.	100%	5.40						

AUTOMOBILES

MACHINERY AND TOOLS

OTHER PERSONALTY

	<u>AUTOMOBILES</u>				<u>MACHINERY AND TOOLS</u>				<u>OTHER PERSONALTY</u>	
	<u>Assessment Method</u>	<u>Ratio</u> <u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u> <u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u> <u>Nominal Rate</u>	<u>Assessment Method</u>	<u>Ratio</u> <u>Nominal Rate</u>		
Norfolk	Loan value in N.A.D.A. Official Used Car Guide	100% \$4.00	Loan value in Truck Blue Book, National Market Reports, Inc.	100% \$4.00	40% of original cost	100% \$1.60	40% of original cost	100% \$4.00		
Norton	Retail value in N.A.D.A. Official Used Car Guide	33 1/3% 5.50	Retail value in N.A.D.A. Official Used Car Guide	33 1/3% 5.50	0 - 9 years old - 20% of original cost. 10 - 19 years old - 15% of original cost. 20 years and older - 10% of original cost. Idle equipment - 1% of original cost.	100% 5.50	Depreciated cost	33 1/3% 5.50		
Petersburg	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100% 3.10	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100% 3.10	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100% 3.10	Same as machinery and tools.	100% 3.10		
Poquoson	Loan value in N.A.D.A. Official Used Car Guide	100% 5.30	1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years and older - 30% of original cost.	100% 5.30	30% of original cost	100% 5.30	30% of original cost	100% 5.30		
Portsmouth	Loan value in N.A.D.A. Official Used Car Guide	100% 4.00	Loan value in N.A.D.A. Official Used Car Guide	100% 4.00	1 year old - 67 1/2% of original cost. 2 years old - 60% of original cost. 3 years old - 52 1/2% of original cost. 4 years old - 45% of original cost. 5 years old - 37 1/2% of original cost. 6 years old - 30% of original cost. 7 years old - 22 1/2% of original cost. 8 years and older - 18 3/4% of original cost.	100% 1.50	1 year old - 90% of original cost. 2 years old - 80% of original cost. 3 years old - 70% of original cost. 4 years old - 60% of original cost. 5 years old - 50% of original cost. 6 years old - 40% of original cost. 7 years old - 30% of original cost. 8 years and older - 25% of original cost.	100% 4.00		

City	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Radford	Retail value in Red Book, National Market Reports, Inc.	50%	\$ 2.80	Retail value in Red Book, National Market Reports, Inc.	50%	\$ 2.80	15% of original cost	100%	\$ 2.80	Fair market value	50%	\$ 2.80
Richmond	Wholesale value in N.A.D.A. Official Used Car Guide	100%	3.59	1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 20% of original cost.	100%	3.59	1 year old - 90% of original cost. 2 years old - 80% of original cost. 3 years old - 70% of original cost. 4 years old - 60% of original cost. 5 years old - 50% of original cost. 6 years and older - 40% of original cost.	100%	1.90	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	3.59
Roanoke	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	4.10	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	4.10	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	4.10	Same as machinery and tools.	100%	4.10
52												
Salem	1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 25% of original cost.	100%	3.25	1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 25% of original cost.	100%	3.25	1 year old - 70% of original cost. 2 years old - 60% of original cost. 3 years old - 50% of original cost. 4 years old - 40% of original cost. 5 years old - 30% of original cost. 6 years and older - 25% of original cost.	100%	3.25	Same as machinery and tools.	100%	3.25
South Boston	Retail value in Red Book, National Market Reports, Inc.	100%	1.05	Retail value in Red Book, National Market Reports, Inc.	100%	1.05	1 year old - 60% of original cost. 2 years old - 50% of original cost. 3 years old - 40% of original cost. 4 years old - 30% of original cost. 5 years and older - 20% of original cost.	100%	1.05	Same as machinery and tools.	100%	1.05

City	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Staunton	Retail value in N.A.D.A. Official Used Car Guide	40%	\$3.00	Trucks weighing 6,500 lbs. or less - Retail value in N.A.D.A. Official Used Car Guide	40%	\$3.00	Depreciated cost (book value) Cannot be less than 20% of original cost.	40%	\$3.00	Depreciated cost (book value) not less than 20% of original cost.	40%	3.35
				Trucks weighing 6501 to 12,000 lbs. - 1 year old - 70% of original cost. 2 years old - 50% of original cost. 3 years old - 30% of original cost. 4 years and older 20% of original cost.	100%	3.00						
Suffolk	Retail value in Red Book, National Market Reports, Inc.	50%	4.00	Retail value in Blue Book, National Used Car Market Report	50%	4.00	1 - 5 years old - 10% of original cost. 6 years and older - 5% of original cost. Standby equipment - 1% of original cost.	100%	4.00	15% of original cost.	100%	4.00
Virginia Beach	Retail value in Red Book, National Market Reports, Inc.	45%	6.00	Retail value in Truck Blue Book, National Market Reports, Inc.	45%	6.00	45% of original cost.	100%	1.00	1 year old - 85% of original cost. 2 years old - 80% of original cost. 3 years old - 75% of original cost. 4 years old - 70% of original cost. 5 years old - 65% of original cost. 6 years old - 60% of original cost. 7 years old - 55% of original cost. 8 years and older - 50% of original cost.	45%	6.00

City	AUTOMOBILES			TRUCKS			MACHINERY AND TOOLS			OTHER PERSONALTY		
	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate	Assessment Method	Ratio	Nominal Rate
Waynesboro	Retail value in N.A.D.A. Official Used Car Guide	50%	\$ 5.00	Retail value in N.A.D.A. Official Used Car Guide	50%	\$ 5.00	Depreciated cost (book value) Cannot be less than 10% of original cost.	25%	\$ 4.55	Depreciated cost (book value)	40%	\$ 5.00
Williamsburg	Loan value in N.A.D.A. Official Used Car Guide	100%	3.50	Loan value in N.A.D.A. Official Used Car Guide	100%	3.50	33 1/3% of original cost	100%	3.50	33 1/3% of original cost	100%	3.50
Winchester	Wholesale value in Red Book, National Market Reports, Inc.	100%	3.25	Loan value in Truck Blue Book, National Market Reports, Inc.	100%	3.25	1 year old - 80% of original cost. 2 years old - 70% of original cost. 3 years old - 60% of original cost. 4 years old - 50% of original cost. 5 years old - 40% of original cost. 6 years and older - 30% of original cost.	100%	1.00	Depreciated cost (book value)	100%	3.25

* District levies are imposed in addition to the basic county levy and may be found in Bulletin 139 of the Virginia Department of Taxation.

- 1/ County levy in town of West Point is \$1.10 per \$100 assessed valuation.
- 2/ In six mosquito districts, an additional levy of 10c per \$100 of assessed valuation is imposed.
- 3/ Fair market value is defined as original cost when the machinery and tools are one year old; thereafter the original cost is depreciated by 10 percent a year until a minimum figure is reached which the Commissioner of Revenue feels is the least amount acceptable for tax purposes.
- 4/ Since Greene County does not have any manufacturing employment, there is no set nominal tax rate or assessment policy for machinery and tools. The information shown on the chart is the way the county taxes other tangible personal property.

Source: In July 1977, the Virginia Division of Industrial Development sent a tax questionnaire to the Commissioner of Revenue, Director of Finance, or Supervisor of Assessments in each county and city in the State. Their replies are summarized in this table.

TABLE 2

LOCAL PERSONAL PROPERTY ASSESSMENT PRACTICES*
(Random Selection of Localities)

COUNTY OR CITY	RATIO	RATE PER \$100	RETURN DUE	PAYMENT DUE	RETURN	METHOD OF ASSESSING BOATS	RECREATIONAL TRAILERS	FARM MACHINERY	LIVESTOCK	MOBILE HOMES	HOUSEHOLD GOODS
Albemarle	100%	5.90	May 1	Dec. 5	Local Form	ABOS Marine Publications Bluebook	ABOS Blue-book	Exempt	Exempt	Square foot - Wingate rate-.72 ratio-100%	Exempt
Chesterfield	100%	3.60	March 1	June 5	Local Form	See "other personal property"	See "other personal property"	Exempt	Exempt	Square foot - Wingate rate-1.12 ratio-100%	Exempt
Dinwiddie	100%	4.40	May 1	Dec. 5	Local Form	20% of cost	20% of cost	20 % of cost	Mature cattle - \$40 per head, chickens - 10c horses - \$40-\$100 per head.	Square foot - Wingate rate-4.40 ratio-20%	Exempt
Fairfax County	100%	4.80	May 1	Dec. 5	Local Form	See "other personal property"	See "other personal property"	See "other personal property" rate = \$.01	Not taxed because rate is \$.01. (same rate applies also to antique autos)	Square foot - by own method based on size, class and age developed by county to parallel real estate appraisal techniques. Computerized rate-1.64, ratio-100%	Exempt
Fauquier	100%	4.70	May 1	Dec. 5	Local Form	See "other personal property"	See "other personal property"	Exempt	Exempt	20% of cost (1978) Wingate Square foot method for 1979, ratio - 20%	Exempt as of 1978
Hampton	100%	5.00	Feb. 1	June 5 & Dec. 5	Local Form	ABOS Bluebook	ABOS Bluebook	None	None	Square foot Wingate rate-1.56, ratio-100%	Exempt

*Based on telephone interviews with randomly selected localities, July, 1978

Table 2

LOCAL PERSONAL PROPERTY ASSESSMENT PRACTICES

COUNTY OR CITY	RATIO	RATE PER \$100	RETURN DUE	PAYMENT DUE	RETURN	METHOD OF ASSESSING BOATS	RECREATIONAL TRAILERS	FARM MACHINERY	LIVESTOCK	MOBILE HOMES	HOUSEHOLD GOODS
Henrico	100%	3.80 (plus sanitary district levies)	May 1	Dec. 5	Local Form	See "other personal property"	See "other personal property"	See "other personal property"	Non-business horses-exempt business horses, all other livestock valued by county. Method not available	1st year-95% of cost 2nd year-90% of cost. 3rd year-85% of cost 4th year 80% of cost. Down 5% per year to 25% rate-1.03, ratio-100%	Exempt
Hopewell	50%	4.40	May 1	Dec. 5	Local Form	ABOS Bluebook	ABOS Bluebook	None	None	Square-foot Wingate rate-1.28 ratio-100%	Exempt
Lancaster	40%	3.80	May 1	Dec. 5	State Form	Buccaneer pricing guide	Buccaneer pricing guide, Those not listed, by discussion with owners.	By discussion with owners.	Beef cattle-\$40 Male hogs-\$50 Bulls-\$100 Dairy cattle \$65 Sheep-\$10 Hogs-\$25 Horses-\$50 and up, (not multiplied ration)	Square foot - Wingate rate-.37 ratio-100%	Exempt
Sorfolk	100%	4.00	May (no return for individual, bill sent based on state and local listings)	Dec. 5	Local (several forms)	ABOS Bluebook	Judy Berner Recreational Vehicle Blue Book	None	None	Square Foot Wingate rate-2.70 ratio-100%	Exempt

Table 2

LOCAL PERSONAL PROPERTY ASSESSMENT PRACTICES

COUNTY OR CITY	RATIO	RATE PER \$100	RETURN DUE	PAYMENT DUE	RETURN	METHOD OF ASSESSING BOATS	RECREATIONAL TRAILERS	FARM MACHINERY	LIVESTOCK	MOBILE HOMES	HOUSEHOLD GOODS
Portsmouth	100%	4.00	May	June 30	Local Form	ABOS Bluebook	ABOS Bluebook (\$60 for any boat trailers)	None	None	Official Mobile Home Report rate-1.30 ratio-100%	Exempt
Powhatan	33 1/3%	3.90	May 1	Dec. 5	State Form	Bluebook-Recreational Vehicle Institute	Bluebook Recreational Vehicle Institute	Exempt	Exempt	Square foot-Wingate rate-2.55 ratio-33 1/3%	Exempt
Roanoke City	100%	4.10	March 1	May 31 (before decal issued)	Local Form	ABOS Bluebook	ABOS Bluebook	None	None	Mobile Home Bluebook rate-1.60 ratio-100%	Exempt
Rockingham	40%	3.00	May 1	Dec. 5	State Form	National Market Reports-Bluebook	As Reported	Depreciated value ratio-1% (Commissioner will recommend exemption for 1979)	Cattle \$1.00 per head Horses-\$10 Hogs and sheep 10c Turkeys-\$1.00 per 100 Broilers-\$1.00 per 1,000 Layers-\$2.00 per 100 (not multiplied by ratio)	Square foot-Wingate rate-.48 ratio-100%	Exempt
Russell	100%	5.75	May 1	Dec. 5	State Form	10% of cost	10% of cost	10% of cost	Cows and Horses-\$10 Yearlings-\$5.00 Sheep-\$1.00 to \$3.00 at taxpayers option	Square foot-Wingate rate-5.75 ratio-20%	Exempt
Virginia Beach	45%	6.00	Feb. 1 (no return for individual, billed from state and local information)	June 10	Local Form	Buccaneer ABOS National Market Reports Bluebook	ABOS Bluebook	Market value informally arrived at-currently working on procedure	Do not assess	Square foot-Wingate rate-.77 ratio-100%	Exempt

Part III

TENTATIVE PROPOSED LEGISLATION

1

D 11/3/78STW

C 11/24/78gar

2 A BILL to amend and reenact §§ 58-33.1, 58-829, 58-829.1:1,
 3 58-829.5, 58-835, 58-836, 58-837, 58-851 and 58-851.7
 4 of the Code of Virginia; to amend the Code of Virginia
 5 by adding sections numbered 58-829.01, 58-829.6,
 6 58-829.7 and 58-836.1, and to repeal § 58-829.2 of the
 7 Code of Virginia, the amended, new and repealed
 8 sections relating to assessment and taxation of
 9 personal property.

10

11 Be it enacted by the General Assembly of Virginia:

12 1. That §§ 58-33.1, 58-829, 58-829.1:1, 58-829.5, 58-835,
 13 58-836, 58-837, 58-851 and 58-851.7 of the Code of Virginia
 14 are amended and reenacted and that the Code of Virginia is
 15 amended by adding sections numbered 58-829.01, 58-829.6,
 16 58-829.7 and 58-836.1 as follows:

17 § 58-33.1. Continuing education program for assessing
 18 officers.--There shall be established within the Department
 19 of Taxation a program of continuing education for county,
 20 city or town officers responsible for the assessment of real
 21 estate. Such program shall be composed of ~~a basic course~~
 22 ~~courses~~ embodying the fundamental instruction essential for
 23 the equitable assessment of real estate or tangible personal
 24 property and an advanced course designed basically to meet
 25 the requirements for full certification by the International
 26 Association of Assessing Officers. Such assessing officers
 27 attending shall be reimbursed for the actual expenses
 28 incurred by their attendance at such program.

29 § 58-829. Classification of tangible personal

1 property.--Tangible personal property is segregated for
 2 local taxation only. The following categories are not to be
 3 considered separate classes for rate purposes, but separate
 4 categories for valuation purposes. Methods of valuing
 5 property may differ among the separate categories listed
 6 below, so long as each method used may reasonably be
 7 expected to determine actual fair market value:

8 ~~(1) The aggregate number of horses, mules and other~~
 9 ~~kindred animals and the value thereof.--~~

10 ~~(2) The number of cattle and the value thereof.--~~

11 ~~(3) The number of sheep and goats and the value~~
 12 ~~thereof.--~~

13 ~~(4) The number of hogs and the value thereof.--~~

14 ~~(5) The aggregate number and value of all automobiles,~~
 15 ~~motor trucks, motorcycles and all other motor vehicles,~~
 16 ~~except (a) any vehicle without motive power used or designed~~
 17 ~~to be used as a mobile home or office or for other means of~~
 18 ~~habitation by any person, and (b) any vehicle described in~~
 19 ~~subsections (16), (19) or (20) of this section.--~~

20 ~~(6) The aggregate value of all animal-drawn vehicles~~
 21 ~~and bicycles.--~~

22 ~~(7) The aggregate value of all farming implements and~~
 23 ~~tools of mechanics.--~~

24 ~~(8) The aggregate value of all felled timber, ties,~~
 25 ~~poles, cordwood, bark and other timber products and all~~
 26 ~~agricultural products, in the hands of possession, legat or~~
 27 ~~constructives of a purchaser, provided that grain, tobacco~~
 28 ~~and other agricultural products in the hands of a producer~~

1 of-the-same-are-hereby-declared-exempt-from-taxation-as
 2 property-under-this-section:-

3 (9) The aggregate value of all household and kitchen
 4 furniture, including gold and silver plates, plated ware,
 5 watches and clocks, sewing machines, refrigerators,
 6 automatic refrigerating machinery, vacuum cleaners, and all
 7 other household machinery, books, firearms and weapons of
 8 all kinds:-

9 (10) The aggregate value of all pianos, gram-
 10 mographs, phonographs and records to be used therewith and
 11 all other musical instruments of whatever kind, radio
 12 instruments and equipment:-

13 (11) The aggregate value of all oil paintings,
 14 pictures, statuary, carvings, articles of crafts and works of
 15 art:-

16 (12) The aggregate value of all diamonds, emeralds or
 17 other precious stones and all precious metals as ornaments
 18 or jewelry:-

19 (13) Repeated:-

20 (14) The aggregate value of all ships, tugboats,
 21 barges, boats or other craft of five tons burden or over
 22 and all other floating property, not required to be assessed
 23 by the State Corporation Commission, used for business or
 24 pleasure, together with their tackle, rigging, furniture and
 25 all else that pertains to them or of any share or interest
 26 therein, though such boats or other watercraft or any one of
 27 them may not be at the time of the assessment in the waters
 28 of the State:-

1 (15) The aggregate value of all other tangible personal
 2 property not herein specifically enumerated, including the
 3 value of all seines, pound nets, fykes, weirs and other
 4 devices for catching fish and the aggregate value of all
 5 toll bridges, turnpikes and ferries, except steam ferries
 6 owned and operated by a chartered company, and the value of
 7 all poles, wires, switchboards, telephone or telegraph
 8 instruments, apparatus and other such property, owned by any
 9 person, firm, association or company not incorporated:

10 (16) The aggregate number and value of aircraft:

11 (17) (Repeated)

12 (18) Antique motor vehicles as defined in § 46.1-1-

13 (19) Motor vehicles used as taxicabs:

14 (20) Motor vehicles especially designed equipment for
 15 use by the handicapped, which shall not be valued in
 16 relation to their initial cost, but by determining their
 17 actual market if offered for sale on the open market:

18 A. Farm animals, except as exempted under §

19 58-829.1:1.

20 B. Farm machinery, except as exempted under §

21 58-829.1:1.

22 C. Automobiles, except those described in Subsections

23 E., G., and H. of this section.

24 D. Trucks and other vehicles, as defined in § 46.1-1,

25 except those described in Subsections E. through J. of this
 26 section.

27 E. Mobile homes, as defined in § 36-71 (4), which

28 shall be taxed in accordance with § 58-829.2.

1 F. Antique motor vehicles, as defined in § 46.1-1.

2 G. Taxicabs.

3 H. Motor vehicles with specially designed equipment
4 for use by the handicapped, which shall not be valued in
5 relation to their initial cost, but by determining their
6 actual market value if offered for sale on the open market.

7 I. Motorcycles, campers and other recreational
8 vehicles.

9 J. boats and boat trailers.

10 K. Aircraft.

11 L. Household goods and personal effects, except as
12 exempted under § 58-629.1.

13 M. All tangible personal property employed in a trade
14 or business other than that taxed as capital under Chapter 8
15 of this Title (§ 58-405 et seq.) or § 58-833, or described
16 in other subsections of this section or in § 58-831.

17 § 58-629.01. Assessments at 100% of fair market
18 value.--On and after January one, nineteen hundred
19 eighty-one, all assessments of tangible personal property
20 and machinery and tools shall be at one hundred per centum
21 of fair market value. In its first tax year following
22 December thirty-one, nineteen hundred eighty, each county,
23 city and town shall adjust its rates of levy on personal
24 property and on machinery and tools so that the total levy
25 is no greater than one hundred eight per centum of that of
26 the previous tax year.

27 § 58-829.1:1. Classification of farm animals, certain
28 grains, farm machinery and farm implements; governing body

1 may exempt.--A. Farm animals, grains and other feeds used
 2 for the nurture of farm animals, farm machinery and farm
 3 implements are hereby defined as separate items of taxation
 4 and classified as follows:

5 1. Horses, mules and other kindred animals.

6 2. Cattle.

7 3. Sheep and goats.

8 4. Hogs.

9 5. Poultry.

10 6. Grains and other feeds used for the nurture of farm
 11 animals.

12 7. All farm machinery and farm implements.

13 8. The governing body of any county, city or town may,
 14 by ordinance duly adopted, exempt in whole or in part from
 15 taxation, or provide a different rate of tax upon, all or
 16 any of the above classes of farm animals, grains and feeds
 17 used for the nurture of farm animals, farm machinery or farm
 18 implements.

19 § 50-629.5. Classification of aircraft as separate
 20 items of taxation.-- The following aircraft are hereby
 21 defined as separate items of taxation: 1. All aircraft,
 22 having maximum passenger seating capacity of no more than
 23 thirty-six which are owned and operated by scheduled air
 24 carriers operating under certificates of public convenience
 25 and necessity issued by the State Corporation Commission, or
 26 the Civil Aeronautics Board--are hereby defined as separate
 27 items of taxation and shall constitute a classification, i
 28 and 2. All other aircraft. Such aircraft shall constitute

1 classes for local taxation separate from other-such
2 classifications-of tangible personal property-provided-in
3 this-chapter . The governing body of any county, city or
4 town may, by ordinance duly adopted, levy a tax on-such
5 property_either_or_both_classes_of aircraft at a different
6 rate than the tax on other-classifications-of tangible
7 personal property; provided, however, that the ratio of
8 assessment and the rate of tax shall not exceed that
9 applicable to such other-classes-of tangible personal
10 property.

11 § 58-829.6. Antique automobiles classified as separate
12 items of taxation.--All antique automobiles, as defined in §
13 46-1-1, are hereby set aside as an item of taxation separate
14 from other tangible personal property in this chapter. The
15 governing body of any county, city or town may levy a tax on
16 such property at a different rate than the tax on other
17 tangible personal property; provided that the ratio of
18 assessment and the rate a tax shall not exceed that
19 applicable to such other tangible personal property.

20 § 58-829.7. Tangible personal property used in a
21 research and development business separately
22 classified.--All tangible personal property used in a
23 research and development business is hereby set aside as an
24 item of taxation separate from all other tangible property
25 enumerated in this chapter. The governing body of any
26 county, city or town may, by ordinance, levy a tax on such
27 class of property at a different rate than the tax on other
28 personal property, provided that the ratio of assessment and

1 the rate of tax shall not exceed that applicable to such
2 other tangible personal property.

3 § 58-835. Tax date January first.-- Except as provided
4 under § 58-851.7, tangible personal property, machinery and
5 tools and merchants' capital shall be returned for taxation
6 as of January first of each year. The status of all persons,
7 firms, corporations and other taxpayers liable to taxation
8 on any of such property shall be fixed as of the date
9 aforesaid in each year and the value of all such property
10 shall be taken as of such date.

11 § 58-836. Department of Taxation to prescribe and
12 furnish forms of returns.--Blank forms of returns for
13 reporting the classes of property mentioned in this chapter
14 shall be prescribed by the Department of Taxation and
15 furnished to the several commissioners of the revenue in
16 ample time for their use. The commissioner of the revenue of
17 any county or city may use a local form in lieu of that
18 prescribed by the Department.

19 § 58-836.1. Department of Taxation to prescribe
20 uniform depreciation schedules.--The Department of Taxation
21 shall prescribe depreciation schedules for the assessment of
22 all machinery and tools, and all tangible personal property
23 employed in a trade or business as described in Subsection
24 4. of § 58-829. The Department shall review such tables
25 annually and update them when necessary. Such tables shall
26 be used for the assessment on and after January one,
27 nineteen hundred eighty-one, of all such property in every
28 county, city and town; provided, that the commissioner of

1 the revenue may elect to use another method to value the
2 property, or any items of property, of any taxpayer who
3 shows to the satisfaction of such commissioner that the
4 result obtained by such tables is inequitable or
5 inapplicable.

6 § 58-837. Taxpayers to file returns.--Every taxpayer
7 owning any of the property mentioned in this chapter on
8 January first of any year shall file a return thereof with
9 the commissioner of the revenue for his county or city on
10 the forms so prescribed, and every person who leases any of
11 such property from the owner thereof on such date shall file
12 a return with the commissioner of the revenue of the county
13 or city wherein such property is located giving the name and
14 address of the owner except any person leasing a motor
15 vehicle which is subject to the tax imposed under §
16 58-665.12 (b1). Such returns shall be filed on or before May
17 first of each year, except as otherwise provided by
18 ordinance authorized by § 58-847.

19 Every fiduciary shall file the returns mentioned in
20 this chapter with the commissioner of revenue having
21 jurisdiction. Every taxpayer owning machinery and tools
22 taxed under § 58-831, or business machinery or equipment as
23 defined in Subsection M. of § 58-429, shall include on his
24 annual return of such property such information as to the
25 original total capitalized cost of all his machinery and
26 tools and year of purchase of each item of such property in
27 the taxing jurisdiction as is required by the commissioner
28 of the revenue .

1 § 58-851. Different rates of levy on different classes
 2 of property.--The governing body of any county, city or town
 3 in laying levies on all taxable real estate, tangible
 4 personal property and merchants' capital may impose ~~one rate~~
 5 ~~of levy on real estate, another rate of levy on tangible~~
 6 ~~personal property and another rate of levy on merchants'~~
 7 capital, different rates of levy on real estate, tangible
 8 personal property or any separate class thereof authorized
 9 under Chapter 16 (§ 58-822 et seq.), and machinery and
 10 tools, or it may impose the same rate of levy on any two or
 11 all of these subjects of taxation provided, however, that
 12 the rate of levy on a mobile home as defined in § 36-71
 13 shall be the same as the rate of levy on real estate. Such
 14 rates shall conform to the requirements set forth in such
 15 Chapter 16.

16 The governing body of any county, city or town may in
 17 its discretion classify farm machinery and implements, farm
 18 tools, farm livestock including all horses, poultry, grains
 19 and feeds used for the nurture of farm livestock and
 20 poultry, aircraft, antique automobiles as defined in §
 21 46-11, or tangible personal property used or employed in a
 22 research and development business separately from other
 23 tangible personal property and may fix the rate of levy
 24 thereon, but the rate shall not be higher than that imposed
 25 by it upon other tangible personal property in the county,
 26 city or town nor shall such tangible personal property used
 27 or employed in a research and development business be taxed
 28 at a higher rate than the rate imposed on machinery and

1 tools-used-in-manufacturing-and-mining-by-such-county,-city
2 or-town:-

3 The-governing-body-of-any-county,-city-or-town-may-in
4 its-discretion-classify-household-items-set-forth-in-§
5 58-629-(9),-(10),-(11)-and-(12)-separately-from-other
6 tangible-personal-property-and-may-fix-the-rate-of-levy
7 thereon-but-the-rate-shall-not-be-higher-than-that-imposed
8 by-such-governing-body-upon-other-tangible-personal-property
9 in-such-county,-city-or-town:-

10 § 58-851.7. Use of July one as effective date of
11 assessment.--The governing body of any county, city or town
12 may provide by ordinance that all taxable real estate or
13 personal property and machinery and tools therein be
14 assessed as of the first day of July of each year, any other
15 provision of law, general and special, including the
16 provisions of the charter of any city or town, to the
17 contrary notwithstanding. In any such locality, public
18 service corporation property shall continue to be assessed
19 at its value as of January one, prior to such assessment
20 date. Any ordinance adopting a July one tax day for
21 personal property as authorized hereunder shall require that
22 a prorated refund or credit of personal property tax be
23 given for that portion of the tax year during which the
24 property was legally assessed by another jurisdiction in the
25 Commonwealth and the tax paid. Any locality providing for
26 the taxation of certain property on a proportional monthly
27 or quarterly basis as authorized by general law or special
28 act shall provide for a refund or credit of personal

1 property tax for any tax year or portion thereof during
2 which the property was legally assessed by another
3 jurisdiction and the tax paid.

4 2. That § 58-829.2 of the Code of Virginia is repealed.

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