

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



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TABLE OF CONTENTS

PERSONAL PROPERTY TAXATION IN VIRGINIA LOCALITIES

I.	INTRODUCTION	7
II.	INFORMATION FOR COMMISSIONERS OF THE REVENUE	9
III.	STATE ASSISTANCE	12
IV.	ROLE OF THE DIVISION OF MOTOR VEHICLES	14
V.	ASSESSMENT PRACTICES	16
	General	16
	Definitional Aspects	19
	Industrial Development	20
	Separate Classification.	21
VI.	MISCELLANEOUS ASPECTS.	21
VII.	MERCHANTS CAPITAL TAX.	22
VIII.	CAPITAL NOT OTHERWISE TAXED	23
IX.	APPENDIX	25
	Administration of the Personal Property Tax in the United States.	27
	Personal Property Tax Information from Local Governments	47
	Data on Personal Property Taxation for Virginia Localities	57
	TENTATIVE PROPOSED LEGISLATION	80

LIST OF TABLES

PERSONAL PROPERTY TAXATION IN VIRGINIA LOCALITIES

I. Assessment Methods - 1978 Personal Property Taxes in Virginia Counties and Cities	58
II. A Sample Automobile Tax Bill by Locality.	60
III. Ranking a Sample Automobile Tax Bill by Locality.	65
IV. Ranked List of Personal Property Tax Rates Using Effective Rate Per 100 Dollars.	70
V. Comparison of Real and Personal Property Effective Tax Rates	74
Methodology	79

I. INTRODUCTION

The Revenue Resources and Economic Commission has been concerned with personal property taxation for several years. Its initial study, which included historical information, a summary of local assessment practices, and several recommendations for revising administration of the tax, was reported to the Governor and the 1979 General Assembly (Senate Document 9). The legislation which passed as a result of that analysis made only minor changes in the tax. All major aspects, including assessment practices and equity issues, were re-referred to the Commission. The Commission was requested to analyze the tax further and seek input from citizens, industries, and local governments.

A Subcommittee to examine this tax was appointed, and a group of "Active Participants" chosen from the commissioners of the revenue, industry representatives, attorneys, accountants, and related State and local personnel was invited to work closely with the Subcommittee. In addition, an extensive mailing list was made up so that elected officials and professionals from all local governments, including commissioners of the revenue, selected legal and accounting firms, organizations with pertinent concerns, and interested parties such as taxpayer groups and citizens would receive all information (data and minutes from meetings) related to this study.

Public hearings were held in four localities throughout the State: Richmond, Norfolk, Roanoke, and Alexandria. Testimony came chiefly from local government personnel, both elected officials and professionals, and was concentrated on the subject of assessments, although many areas were addressed. The Commission feels that its further research, these hearings, and its well attended meetings have enabled it to examine thoroughly this

area of taxation, and it therefore makes the following report. Areas of examination elaborated herein are:

- I. Information for Commissioners of the Revenue
- II. State Assistance
- III. Role of the Division of Motor Vehicles
- IV. Assessment Practices
- V. Miscellaneous Aspects
- VI. Merchants Capital Tax
- VII. Capital Not Otherwise Taxed

Please note that throughout the report, recommendations make reference to the commissioners of the revenue. This term is meant to include directors of finance and other assessing officers who perform personal property assessments in certain localities.

The report contains analysis and recommendations on the various issues related to personal property taxation. Since it is hoped that this study will also provide information for use by local governments, industries, and other agencies, statistical information and descriptive data is included in the Appendix. Also included is a chart and summary describing the administration of the personal property tax in other states.

II. INFORMATION FOR COMMISSIONERS OF THE REVENUE

Throughout the study of personal property taxation, the subject of assessment has been foremost in the minds of all concerned. Adequate assessment requires that the property be found and that its value be determined. Until this process is properly completed, it is impossible to analyze the tax to determine its equity. The commissioners of the revenue have brought many facets of this problem before the Commission. It is obvious that commissioners of the revenue must have adequate facts if they are to comply with their responsibilities of assessment. These facts are of two kinds: information from taxpayers (and other sources) on the existence, description and location of property; and the information from professional sources as to the value of the property. Obviously, those types of property which can be readily valued by reference to sales information (e.g., cars and boats) require less expertise than those which cannot (e.g., machinery and tools, and many types of business property).

Difficulty in getting pertinent information from business (i.e., property acquisition schedules showing actual original cost data and date of acquisition), incomplete returns and under-reporting of property, the difficulty of finding all the businesses located within the jurisdiction, and delays in getting supportive information from the Department of Taxation have been cited as major areas that should be addressed in the recommendations of this study. Businesses having operations within several jurisdictions of the Commonwealth create special problems which also should be addressed. In addition, more thoughtful and sophisticated reporting forms was mentioned

as a means to assess business personal property more accurately.

The Commission has attempted to balance the informational needs of commissioners of the revenue against the burdens on business which a more extensive reporting system would create. The Commission is cognizant of the importance of cooperation between the business and the assessors.

The Commission analyzed the specific requests it received in the light of the equity issues and the burden placed on businesses and is making the following recommendations:

1. Give commissioners of the revenue the same powers to verify taxpayers' reports of tangible personal property as they now have in relation to intangible personal property. (See the following code section 58-874 which is to be amended to initiate this additional power).
2. Allow commissioners of the revenue to require that schedules be filed with the personal property tax form showing original cost and year of acquisition for all business equipment and machinery and tools within the jurisdiction and that the schedules conform with the information reported by the business for federal income tax purposes.
3. Encourage the Department of Taxation to report information requested by the commissioners of the revenue in a more timely fashion.
4. Encourage the Department of Taxation to improve personal property tax reporting forms, as well as review and update them periodically, in order to assist assessors in their efforts related to collection of information.

§ 58-874. Duties of commissioners as to intangible personal property, incomes and licenses. — Each commissioner of the revenue shall:

(1) Review the reports of purchases and sales made by the merchants and assess for the current license year additional license taxes when his investigations disclose that such merchants have reported less than the law requires.

(2) Review the lists of all persons licensed by the commissioner of the revenue and assess for the current license year any person who has without a license conducted any business for which a license is required.

(3) Review in regard to intangible personal property, money and income such returns of taxpayers as may be referred to him by the Department of Taxation and report to the Department, for assessment, any additional intangible personal property, money and income when his review or investigation discloses that such property, money or income has not been reported for taxation or has been reported for taxation at less than the law requires.

(4) Call upon every taxpayer who may not have properly returned to the commissioner of the revenue all his intangible personal property, money and income for the current tax year and require such taxpayer to make a return of the same and to this end the commissioner of the revenue may summon, by registered letter or otherwise, the taxpayer or any other person to appear before him at his office, to answer, under oath, questions touching the ownership and value of any intangible personal property, money and income of any and all taxpayers.

(5) Call upon and require taxpayers or their agents or any person, firm or officer of a company or corporation to furnish information relating to intangible personal property, money, income or license taxes of any and all taxpayers; and require taxpayers to furnish to them access to their books of account or other papers and records for the purpose of verifying the tax returns of such taxpayers and procuring the information necessary to make a complete assessment of any taxpayer's intangible personal property, money and income and merchants' license taxes for the current tax year.

(6) Make such reports to the Department of Taxation as may be required by law or as the rules and regulations adopted by the State Tax Commissioner may require. (1946, p. 369; Tax Code, § 310g.)

III. STATE ASSISTANCE

A recurring theme to all testimony, correspondence, and materials received by the Commission has been the commissioners' need for additional State assistance in order to effect more accurate assessment of property. Many proponents elaborated on various types of assistance, and, concurrently, complimented the present staff of the Property Tax Division, State Department of Taxation, for their efforts in assisting local officials. The specific recommendations from Senate Document 9 (Revenue Resources and Economic Commission Report on Personal Property Taxation to the Governor and the 1979 General Assembly of Virginia) were endorsed by many as the proper approach to assisting commissioners of the revenue in their assessment tasks.

While the valuation of personal property, especially machinery and tools, is acknowledged to be a difficult task, many feel the State could assist materially. Several states have developed guidelines to assessments of property and provide various other services to local assessors. (NOTE: Detailed information on other states' personal property tax assessment practices is included in the Appendix). Many commissioners of the revenue say that it would be extremely helpful to have access to a central information center (within the Department of Taxation) containing such materials as catalogs, price lists, and valuation guidelines, especially since most local assessors have neither the time nor the staff to compile such information themselves. The other category of assistance that, seemingly, has no opposition from any faction involved in this study is educational assistance. Local officials feel that if they are to make accurate assessments,

they must have instruction in appropriate areas of personal property taxation, similar to the instruction they receive in the area of real property taxation. This educational assistance could take two forms: (1) "schools", offering instruction in assessment procedures and use of existing tools and sources of assistance; and (2) a "team of experts", who would be available to assist commissioners of the revenue on specific problems. The funding of such efforts at the State level is tantamount to accomplishing assistance for local assessors of personal property. A tentative annual budget for the proposed functions follows:

\$ 60,000	Salaries for three professions
10,000	for clerical support
35,000	Travel expenses
5,000	Office expenses
5,000	Computer expenses
2,000	Printing costs
\$117,000	Total Appropriation

The Commission strongly endorses the concept of State assistance to local commissioners of the revenue as a means by which to aid all Virginians in receiving equitable personal property tax assessments. The following recommendation is made in order to accomplish this goal:

The Department of Taxation shall provide commissioners of the revenue with tools such as catalogs, price lists, and valuation guides for the proper assessment of personal property. The Department shall also conduct schools to provide educational information to assessors of personal property and supply a team of experts to assist commissioners of the revenue as specific requests for assistance arise. (An appropriation of \$117,000 will be needed in order to adequately fund such an assistance operation, earmarked for the Property Tax Division, Department of Taxation).

IV. ROLE OF THE DIVISION OF MOTOR VEHICLES

One of the difficult tasks in administering the personal property tax is finding the property. This situation is particularly true in the case of automobiles and trucks. In an effort to alleviate this problem, many localities have prevailed upon the Division of Motor Vehicles (DMV) to give them tapes or lists with data on the owner, situs, year and model of automobiles. For many localities, this has been an important contribution to the tax collection system. Concurrently, testimony was received stating limitations on the usefulness of the data received from DMV resulting from inaccuracies and timeliness. There is a significant time lag in computerization of the data and, as a result, transient people often avoid payment of personal property taxes.

One proposal to improve the collection aspect of personal property taxes is for the DMV to require proof of payment of the personal property tax before renewing State vehicle licenses. This proposal for increasing personal property tax collections is feasible and is currently used in some other states. The justification for this practice would be the increased revenue that would accrue to localities.

The Director of the DMV opposed the plan of collecting proof of personal property tax payments on the grounds of increased cost and reduced efficiency to his agency. It would put the Division of Motor Vehicles in the role of an enforcement agency and subject its employees to irate license purchasers, particularly in the implementation stage. The DMV has made many improvements in its system and is a service oriented entity. It was feared that the

gains made in recent years may be negated somewhat if the DMV is required to enforce a local tax. In addition, localities would have to issue an itemized receipt for payment of tax for the system to work.

Because such a system would have State wide application, the Commission sent a questionnaire to all localities to assess the interest in the service and the amount of revenue which might be gained by its implementation. The results of the questionnaire are included in a summary and table in the Appendix. (See pages 47-56). Only about half of the treasurers and a minority of commissioners of the revenue, feel that such a system would be worthwhile. Most localities reported very high collection ratios, and many local officials were not willing to issue the itemized receipt which would be necessary. The Commission has therefore concluded that this service by the DMV is not warranted at this time.

The Division of Motor Vehicles will be requested to improve the lists on automobiles and trucks that are presently available for localities. The specific criticisms by local officials have been passed on to the DMV by the Commission.

V. ASSESSMENT PRACTICES

General

The assessment of personal property is an extremely varied operation. Expertise is necessary throughout the process, ranging from actually "finding" property located within a jurisdiction to determining the value of a complicated machine. Furthermore, the very basic question of determining fair market value, as required by the Constitution, is difficult if not impossible, for certain types of property. Testimony received by the Commission has, likewise, been varied and difficult to analyze. The Commission has used that testimony to develop recommendations which it believes will create an environment of tax equity without placing an undue burden on taxpayers.

Input from various groups (commissioners of the revenue, industries, local governing body officials and professionals, et cetera) tended to revolve around assessment at one hundred percent and the difficulty in determination of fair market value. Various persons supported one hundred percent assessment, elaborating on the appropriateness of eliminating ratios and having assessments uniform. While some claimed that uniformity was only important within a locality, others advocated uniformity among localities, as they felt uniformity was important for those who do business in several localities, as well as those seeking a basis of comparison. Others commented that while uniformity is a worthwhile goal, fair market value is a more important one. Because fair market value is so difficult to determine, the great variety of simple assessment methods used in the State makes valuation appear arbitrary. The Commission therefore struggled

with the question whether some standard should be set for determining value.

As a part of the discussion on assessment, the Commission heard disturbing testimony that assessments were being manipulated and utilized in conjunction with the tax rate to arrive at specific revenue expectations of the local governing body. The Commission feels strongly that assessment is to be completed independently of the consideration of revenue need; assessment is the fair market valuation of personal property (equitable among any given class of taxpayers) by the commissioners of the revenue or other assessors of personal property, and the rate set by the governing body should be the sole determinant of the amount of revenue to be collected from the assessed property within a jurisdiction. Furthermore, testimony indicating that determination of fair market value is sometimes negotiated between the assessor and the taxpayer also disturbed the Commission. Equity issues come to the forefront when taxpayers are permitted to negotiate their tax burdens.

Although during examination of issues related to assessment, the Commission conceptually tended to agree with proponents of uniform assessment, it felt that until commissioners of the revenue had adequate training in the field of professional assessment, it would be unfair to require a specific level of appraisal technique. Therefore, it recommends increased education (see Section I of this report) rather than required standards for assessment of all types of personal property.

Concurrently, the Commission agrees that the method by which fair market value is determined for assessment purposes should be readily available to all taxpayers. While there are recognized difficulties in the assessment of personal property, taxpayers are entitled to, at the very least, information through which their assessments are determined. In addition, even a minimal appeal process would not be possible without this information and some

administrative appeal is important, as litigation is not usually practical for the money involved in personal property taxation. The Commission was therefore pleased to find that most commissioners of the revenue are accomodating taxpayers' requests for review of their assessments. It is particularly important to have public access to the assessment method because it is the only method by which a taxpayer can check the internal consistency of his assessment. There is no way to compare a personal property assessment with others on comparable property since the personal property books list only total assessment in each class and levy for each taxpayer, and sales data are too limited to provide a basis for comparison, particularly in machinery and tools.

The Commission feels that although the Constitution requires fair market value assessment, there is no way to enforce the Constitution except by providing a Statewide definition of fair market value for each class of property. Otherwise, it is impossible to check compliance, because sales data are not generally available, therefore, no sales/assessment ratio or effective rate determination is possible. Unfortunately, the development of a Statewide standard is not a reasonable goal at this time. Therefore, the Commission feels that requiring the commissioner of the revenue to make his assessment method public will be the best insurance of equity until such time as the expertise in the State is sufficient for a Statewide standard.

After hearing the varied comments on assessment, the Commission recommends the following:

Require the commissioner of the revenue to use a published record (such as an industry pricing guide) or specific determination of value (such as a percentage of cost) for assessment purposes to establish fair market value,

used uniformly among taxpayers, and that the standard be disclosed to taxpayers upon request. Specific categories and allowable assessment determinations of value follow:

- | | |
|------------------------------|--|
| a. Automobiles | National pricing guide or stated percentage of original cost |
| b. Trucks and other vehicles | Percentages of original cost |
| c. Machinery and Tools | Percentages of original cost |
| d. Business property | Percentages of original cost |
| e. Boats | National standard or percentages of original cost |
| f. Motorcycles | National standard or percentages of original cost |
| g. Airplanes | National standard or percentages of original cost |

Definitional Aspects

Another aspect of assessment that was brought before the Commission centered on the distinction between real and personal property. It appears that case law has basically defined this issue using "moveability" as a criterion (see Senate Document 9, 1979, pp. 11-12). Several commissioners of the revenue had specific comments related to definitional problems associated with assessment. The taxation of mobile homes as personal property was discussed. (See House Document 19, 1975, which addressed this area of taxation quite thoroughly). Likewise, the assessment of property of a Public Service Corporation in a different manner from like property of a business was brought before the Commission but this subject has also been studied in detail (by the House Finance Committee) although no formal

recommendations were made. Additional definitional problems arise when an assessor is determining which part of a building's structure is real property and which is personal property, e.g., a boiler used to produce heat and also used in the manufacturing process. While the Commission feels that concerns over definition are important to the assessment of personal property, they would be best addressed by the education and assessment assistance process advocated in Section I of this report.

Industrial Development

The Commission heard from various groups on the relationship between personal property taxation and industrial development. The Division of Industrial Development emphasized that Virginia localities must remain competitive with other states in order to attract industry, and objected strongly to any significant shift of the personal property tax burden to industry.

While the Division of Industrial Development has not received complaints on personal property taxation, the Commission heard from various law firms and accounting firms that were concerned with the present system of assessing machinery and tools. After hearing a great deal of testimony, generally in the machinery and tool area of personal property taxation, the Commission concluded that the localities should continue to make the decision whether to use the personal property tax as an incentive for industrial development, and the level of incentives should be set by the local governing body through its rate on machinery and tools. The Commission was alarmed at testimony pertaining to the negotiating of assessments as an industrial development tool and reiterates its former stand that the assessment should be at market value (not manipulated or clouded by external issues) and equitably placed

on each class of property.

Separate Classification

Testimony was received by the Commission advocating a separate class for assessment purposes for boats over five tons.. The locality requesting this special class wishes to develop a boat harbor and attract larger boats without taxing them at the prevailing boat rate. While the Commission has no objections to this approach, they feel it is basically a specific locality's industrial development issue and should not be addressed in a general way through this study. Again, while it has no objections to the concept, the Commission feels that local General Assembly delegations should initiate such changes.

VI. MISCELLANEOUS ASPECTS

Personal property taxation is a complicated subject with varied aspects. During the course of its study, the Commission has concentrated on major concerns relating to equity. Although no recommendations are being made in certain areas, the Commission acknowledges that there are miscellaneous aspects to the tax not being addressed.

A study of personal property taxation would not be complete without discussion of pro-ration. While limited supportive testimony was received by the Commission, it was felt that pro-ration should remain a separate issue from assessment and no recommendations are being made. Furthermore, the Commission was aware of the in-depth study done on this subject by the House Finance Committee (House Document 19, 1978). The legislation resulting from that study, advocating local option pro-ration, was carried over from the 1978 Session of the General Assembly and was killed in the House Finance

Committee in 1979. Under present statute, cities may pro-rate personal property taxation if their charters are amended (Alexandria is the only locality utilizing this method), and counties have no provision to allow this option.

Another general aspect of personal property taxation that was corresponded to the Commission is tax relief for the elderly. Only one advocate came forth during the study; the Commission concluded that the dollar levy on personal property does not warrant sufficient support for relief. In addition, the Constitution does not presently allow for relief from personal property tax for the elderly, and since there was not sufficient support on this subject, the Commission offers no recommendations.

VII. MERCHANTS CAPITAL TAX

The present study has basically concentrated on tangible personal property taxation. The Merchants Capital Tax is a tax on intangible personal property, and while the Commission did not concentrate on this tax, testimony was received on the subject, in particular, the taxation of accounts receivable. The testimony dealt with the unfairness of taxing outstanding debts that the merchant may not be able to collect. Since localities can correct this aspect of the tax by exempting accounts receivable if they wish, (see section 58-833.1 of the Code) there appears to be little reason for the Commission to pursue this issue at this time, or to recommend changes.

VIII. CAPITAL NOT OTHERWISE TAXED

Tangible and intangible personal property not specifically mentioned and segregated for local taxation by Section 58-9 of the Code is defined as "intangible" and made subject to State taxation as Capital Not Otherwised Taxed. (See Section 58-405 et seq.). The Commission heard testimony on the subject although it was not being specifically addressed. Evidence and testimony show the tax to be relatively unproductive (\$9.9 million in 1978 according to the Department of Taxation) with a high nuisance level. A bill was introduced in the 1979 Virginia General Assembly to repeal it, but was withdrawn on the House floor. Criticism has centered on the nuisance aspect and the lack of written regulations from the Department of Taxation as to its administration.

The Commission does not offer any specific recommendations on this tax, but does feel, however, that if personal property (specifically, furniture and fixtures) is to be valued on the basis of original cost, as the Commission has recommended (see Section V), it is reasonable that corresponding property under Capital Not Otherwised Taxed should also be valued in the same manner (instead of by book value as is presently done). In addition, the Commission feels strongly that the public is due written guidelines on administration of the tax in order to make it as equitable as possible.

APPENDIX

ADMINISTRATION OF THE PERSONAL PROPERTY TAX IN THE UNITED STATES

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IN THE UNITED STATES

Although the degree of state (or central) participation in the administration of the local tax on tangible personal property varies widely in the 50 states, few if any states have a system as decentralized as Virginia's. The extensive central control and participation in some states can be partly explained by the existence of a state property tax for state purposes; obviously equalization among counties and uniform assessment practices are of greater importance where the state itself is a taxing district. Twenty-six of the 50 states have a state tax on tangible personal property; 3 others, Virginia, Alaska, and New Jersey, tax some types of property only at the state level and other types only at the local level.

Ten states have exempted all or most personal property from taxation. Of the 40 that remain, all appear to exert more central control over the administration of the tax than Virginia does, though in some cases, the control appears minimal (e.g., Rhode Island, Connecticut, and Texas though Texas has recently enacted legislation which will tend to centralize the assessment process). Thirty-three of the 40, including 13 who have no statewide tax on personal property, appear to have fairly effective control over personal property assessment. Twenty-four have a state board of equalization with power to adjust local assessments after they are made in order to effect statewide uniformity.

Supervision of the assessment process exists in many degrees and takes several forms. In almost all states, the state tax department or

a like central agency has the power to supervise the assessment process, design and approve forms, and issue manuals and regulations. In many states these activities are mandatory. Some states require that local assessing officers be certified by the state (e.g., Iowa, Kentucky, and Maine) a few have state-appointed supervisors to check on local assessors (e.g., West Virginia) and in some states (e.g., Maryland and Ohio) all appraising is done by state employees. South Carolina appraises all business personalty centrally on behalf of localities. New Jersey has a state tax on most business personal property which it administers, collects, and distributes to localities.

Several states issue detailed assessment manuals for use by local assessors. Although some cover only administrative procedures, others specify the methods which must be used to appraise different types of property. Colorado has perhaps the most detailed manual or series of manuals. The Division of Property Taxation publishes annual cost lists showing the present cost of such types of property as mobile equipment and agricultural equipment. For those types of property which are not covered by the lists, there are cost factoring tables (broken down by type of business) to raise "historical cost" to "present cost new". Finally, depreciation (or percent good) tables are issued, also broken down by type of business, to bring "present cost new" down to "market value". The assessment process is obviously both thorough and time consuming.

Among the states which mandate a uniform method of assessing business property are Michigan, Indiana, Ohio, and Alabama. Michigan

publishes a combination factoring and depreciation table in three columns - "long lived", "average lived", and "short lived" - which is used for valuing everything except utility property. Indiana's system is only a little more complicated, and is basically a depreciation table divided into 4 pools depending on the useful life of the property for federal tax purposes. Ohio has a classification list of close to 200 categories of business equipment, giving annual depreciation allowances to be subtracted from original cost. Alabama has the simplest method of all; it requires each taxpayer to make an election (to be applicable to all future years) whether to value his machinery and equipment at cost less 20 percent, or at remaining book values plus 40 percent of the value which has been charged to depreciation.

Many states have been changing the administration or the structure of their personal property tax in recent years. They have centralized administration (e.g., North Carolina, Texas, and Kansas), changed the tax to a central rather than a local tax (New Jersey) or abolished the tax altogether (Iowa, South Dakota, and Illinois). North Carolina and Texas, which used to have very localized administration, have acted recently to provide more state guidance and control, North Carolina by administrative action and Texas by statute. In Georgia, legislation has been proposed to effect more centralized supervision.

New Jersey has been the most interesting case study, as it has revised its personal property tax on business three times in the past 15 years. It first set statewide assessment standards for localities; it then abolished the local tax and substituted a state tax to be distributed to localities. Its last action was to make the state tax inapplicable

to property acquired after January 1, 1979.

In an age when no tax source escapes pressure and scrutiny, even the relatively insignificant personal property tax has begun to feel the strain.

Administration of the Personal Property Tax in the United States

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Alabama	Yes	Statutory statewide: utilities - 30% other - 25%	County assessors (some cities assess independently)	Dept. of Revenue directed by statute to control and direct assessment of property; assigns advisory personnel to counties; makes valuation tables available	Dept. of Revenue equalizes assessments among classes of property and among counties; checks assessment rolls for property methodology	Machinery of certain industries is exempt, utilities and gas and oil equipment are assessed by Dept. of Revenue. Industrial machinery and equipment are valued in accordance with state regulations	
Alaska	No - except on oil and gas exploration, production and pipeline transportation equipment and facilities	Full and true value	Only cities and boroughs may levy tax			Local assessment of utility property. Industrial Tax Incentive Exemption: almost all new businesses are eligible; exemptions are longer for big investments	Residential property is exempt, mobile homes are treated as real estate unless held for sale
Arizona	Yes	5 classes set by statute statewide	County assessors chosen by State Dept. of Revenue	Dept. of Revenue supervises county assessors, prepares manuals, conducts training programs, issues rules and regulations, designs forms, attempts to achieve uniformity	State Board of Tax Appeals equalizes among counties, hears individual complaints on appeal; Dept. of Revenue may increase or decrease assessments, acts as supervisor of local assessors	Utilities, carriers, mines, oil and gas wells and T.V. facilities are assessed by Dept. of Revenue	Motor vehicles and aircraft are exempt but are subject to a special tax
Arkansas	No not since 1972	Statutory 20% statewide; (See last column).	Elected county assessors	Assessment Coordination Division of Public Service Commission is charged with the general administration of the property tax, also provides general and complete supervision of county assessors; prescribes rules and regulations, provides assessment manuals.	Public Service Commission equalizes among classes and localities, makes a ratio study, can order a reassessment in any locality, investigates local assessment methods.	Textile mills are exempt for 7 years, utilities and carriers are assessed by Public Service Commission	The Supreme Court of Arkansas has recently decided that the Constitution of Arkansas requires market value assessment

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
California	No	25% state-wide (aircraft - 100%)	County assessors (some cities do their own assessing)	State Board of Equalization designs returns and issues rules, regulations, and instructions on determining value to county officials	Board of Equalization reviews assessments annually, does sales assessment ratio study on both real and personal property, may equalize among localities	Business inventories partially exempt, utility and railroad property assessed by Board of Equalization	Non-commercial boats are exempt; head tax in lieu of ad valorem on livestock and race horses
Colorado	Yes	30% state-wide	County assessor	Property Tax Division develops forms and extensive and detailed property manuals for mandatory use	State Board of Equalization adjusts values among localities	Utilities assessed by Property Tax Administrator; mines taxed on gross proceeds instead of ad valorem	Motor vehicles are exempt on payment of ownership tax. Property valued by depreciating from current (not historical) cost new.
CO CO							
Connecticut	Yes	Varies among localities - will be 70% by law by 1988	Elected town and city boards of assessors	State Tax Commission supervises local assessment practices and compels compliance with the laws; designs forms	State Tax Commission may equalize values among localities	80% exemption for manufacturing facilities operating in high unemployment areas; inventories of manufacturers are exempt; utilities pay gross receipts tax instead of property tax	New England system - state taxes are levied against the municipality, not against the property. No county taxing units. Certain ships valued on earnings rather than ad valorem
Delaware	No	NO	PERSONAL	PROPERTY	TAX		Delaware does not supervise real property taxation - localities have power to grant exemptions

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Florida	No	Fair cost value	Elected county appraiser	Dept. of Revenue administers property tax; prescribes and approves forms, issues extensive regulations on valuation and tax mechanics	Dept. of Revenue approves property tax rolls	Personal property of merchants is specially treated; operating property of railroads is assessed by Dept. of Revenue	Aircraft, motor vehicles and boats are exempt
Georgia 34	Yes	40% state-wide	County assessors appointed by governing body	Property Tax Department of the Dept. of Revenue provides overall supervision of ad valorem taxation; return information is prescribed by law	State Revenue Commissioner equalizes between classes and counties, corrects mistakes in rolls	State Revenue Commissioner assesses utilities and railroads	State manual for uniform valuation of motor vehicles. Pending legislation will require procedures manual and standard forms for personal property.
Hawaii	No	NO	PERSONAL	PROPERTY	TAX	---	State assesses and collects real property tax on behalf of localities
Idaho	Yes	20% statewide	County assessor	State Tax Commissioner promulgates rules and regulations on assessment methodology	Tax Commissioner can correct items on assessment rolls, equalize among counties; Board of Tax Appeals hears appeals	Tax Commissioner assesses utility property	Motor vehicles and aircraft are exempt

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Illinois	No	33 1/3% statewide	Elected township assessors supervised by local supervisors of assessments appointed by county board, who must pass a state qualifying exam	Dept. of Local Governmental Affairs prescribes returns, issues rules and regulations and the Property Tax Manual for guidance of local officials	Office of Financial Affairs of the Dept. of Local Governmental Affairs equalizes among localities; State Property Tax Appeal Board hears individual appeals		PERSONAL PROPERTY TAX ABOLISHED AS OF JANUARY 1, 1979
Indiana	Yes	33 1/3% statewide	Township assessors supervised by county assessors and by representatives of the State Board of Tax Commissioners	State Board of Tax Commissioners administers property tax, supervises assessors, prescribes returns, promulgates extensive regulations on assessment methodology	State Board of Tax Commissioners equalizes among classes and taxing units, and hears appeals; may order a reassessment	Board of Tax Commissioners assesses distributive (operating) property of utilities	Motor vehicles are exempt, depreciable personal property valued by use of Federal useful life, original cost, and State depreciation schedules
Iowa	No	100% of actual value	County assessors certified by state Director of Revenue and appointed locally (some cities have assessors)	Dept. of Revenue administers tax laws, supervises local assessors, issues regulations and assessment manuals	Director of Revenue equalizes among taxing units and classes; hears appeals, may order reassessment	Dept. of Revenue assesses utilities and carriers; all industrial machinery is classified as real estate and valued by use of Dept. of Revenue guides	Personal property (but not industrial machinery) tax in process of elimination over ten-year period by expanding exemption
	Yes	30% statewide	County assessors	Director of Property Valuation directed to render all possible assistance to obtain uniform assessments, issues extensive property valuation forms	State Board of Tax Appeals hears appeals; same body sitting as Board of Equalization equalizes among taxing units, may order reassessment	Property Valuation Division assesses public utilities and carriers	Div. of Property Valuation has long-range plans for extensive training in machinery and equipment appraisal. Present guidelines are based on trended original cost less depreciation.

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENTS PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Kentucky	Yes	Fair cost value	Elected local property valuation administrator must be certified by Dept. of Revenue; city assessors	Dept. of Revenue directs, instructs and supervises property valuation administrators; issues forms; holds annual conferences for systematic instruction; issues assessment manuals	Dept. of Revenue equalizes among taxing units, classes and individuals	Dept. of Revenue assesses public service corporations and distilled spirits in bonded warehouses; manufacturing machinery and unfinished products are exempt from local tax; cities may exempt new manufacturing factories for five years	Standard state manual for motor vehicles; livestock, farm machinery are taxed at \$.001 per \$100 of assessed value
Louisiana	No	10% statewide	Parrish assessors	State Tax Commissioner issues minimum standards of assessment performance, rules and regulations; issues uniform guidelines and procedures, adopts forms	Tax Commissioner approves tax rolls, may correct assessments; measures level of appraisal and degree of uniformity throughout the state; if assessment level deviates more than 10%, he must order a reassessment	New industries are exempt	Motor vehicles are exempt

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Maine	Yes	"Just value", locally interpreted	Municipal assessors certified by state tax Assessor. (State officials assess unincorporated areas)	State Tax Assessor exercises general supervision over local assessors so that property will be assessed at just value; prescribes forms	State Tax Assessor equalizes among localities and can order a reassessment if necessary; Municipal Valuation Appeal Board hears appeals	Industrial inventories and stock-in-trade are exempt	New England system (see Connecticut); sailing vessels and barges are exempt, but are subject to a special tax; motor vehicles, aircraft, mobile homes and farm machinery are exempt
Maryland	Yes	Full cash value - (in theory)	Supervisors of assessments are appointed by State Dept. of Assessments and Taxation; county assessors. All assessment personnel are state employees	State Dept. of Assessments and Taxation supervises local assessors; prescribes returns and uniform depreciation tables for valuing all business property	Maryland Tax Court hears appeals	Many manufacturing exemptions; utilities, carriers and all taxable corporate personalty and distilled spirits are assessed by State Dept. of Assessments and Taxation	All domestic corporations subject to tax on stock are exempt from tangible personal property tax. Business property valued by reducing cost by factor depending on type of equipment
Massachusetts	Yes	Fair cash value - (in theory)	Municipal board of assessors	State Commissioner of the Revenue has responsibility for proper assessment of property; furnishes instructions and supervises duties of local boards; issues regulations and prescribes forms; supervises methods and results of local assessors; strong statutory powers	No overall equalization; State Commissioner of the Revenue may visit any town and inspect work of assessor; serves as prosecutor for violation of law	Personal property of business and manufacturing corporations are exempt; pipeline, telephone and telegraph companies are assessed by State Commissioner of the Revenue	New England system (see Connecticut); Livestock and motor vehicles are exempt, but are subject to a special tax

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Michigan		True cash value	City and township assessors; a State Assessors Board certifies assessors and ensures that training is available	State Tax Commissioner drafts forms; issues assessment manuals and uniform valuation tables for business property assessment	Tax Assessment Division may hear appeals; State Tax Commissioner may review tax rolls and acts as equalization board; State Tax Tribunal hears individual appeals	Business personal property up to \$500 is exempt, including machinery and tools; industrial facilities and inventories are exempt; State Board of Assessors assesses operating property of railroads, telephone and telegraph companies	Motor vehicles, aircraft, mass transit systems are exempt. Business personal property valued by use of multiplier table in three columns: long life, average life and short life
33 CO Minnesota	Yes	Several classes set by statute statewide	County and city assessors	Commissioner of the Revenue exercises general supervision over assessment process, also issues assessment manuals; may promulgate rules and regulations for property tax administration; holds meetings with assessors	Commissioner of the Revenue acts as appellate tribunal and equalization board, equalizes among counties and may raise or lower any assessment; may appoint appraiser to reassess any locality	Commissioner of the Revenue assesses street railway, road and bridge companies, power companies operating outside of cities, oil pipeline and airline property	Almost all personal property is exempt: motor vehicles, aircraft, inventory, machinery and tools, agricultural animals, tools and equipment, household property up to \$100
Mississippi	Yes	Varies in each locality	County assessors (some cities do their own assessing)	State Tax Commission is in charge of overall supervision; the Commission issues uniform schedules for valuation of automobiles; also issues administration manuals with rules and regulations; prescribes forms	State Tax Commission equalizes among counties by classes of property	New manufacturers have a 10 year exemption; State Tax Commissioner assesses utilities and freightline companies operating or furnishing railroad cars	Farm implements and machinery are exempt; livestock is exempt; oil and gas wells are exempt; most personal property of ordinary taxpayers is exempt, except for motor vehicles

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Missouri	Yes (minimal)	33 1/3% of true value	County, township and city assessors	State Tax Commission exercises general supervision over assessing officers; prescribes forms; issues assessment manuals	State Tax Commission equalizes among localities; inspects assessment rolls and reviews assessors' work; may equalize individual investments	State Tax Commission assesses operating property of railroads and utilities	
Montana	Yes	Statutory statewide ratios - several classes	Elected assessors; real estate appraised by agents of State Department of Revenue	Dept. of Revenue issues extensive instructions on valuation of property used in business and conducts schools for assessors; Dept. also assesses trucks, commercial trailers, grain elevators and livestock centrally	Dept. of Revenue equalizes among localities; hears appeals; may change assessments; State Tax Appeals Board hears appeals from Dept. of the Revenue	Dept. of Revenue assesses utilities and railroads	Small coal producers and mines are exempt
Nebraska	Not since 1967	35% of actual value statewide, will be 100% as of Jan. 1, 1981	County assessors	Tax Commissioner is authorized to require tax officials to act in absolute compliance with the revenue laws and his rules and regulations; issues forms and annual assessment manuals	State Board of Equalization and Assessment equalizes among localities and classes; may order a re-assessment	State Board of Equalization and Assessment assesses carriers and franchises of public service companies; Tax Commissioner assesses flight equipment of air carriers	

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Nevada	Yes (in process of being phased out by 1983)	35% statewide	County assessors	Nevada Tax Commission supervises and directs local assessors; sets standards for local assessors; values live-stock, mobile homes and motor vehicles centrally	Dept. of Taxation does ratio study and orders adjustments of tax bills; may order local governing body to employ approved appraisers to correct errors; State Board of Equalization equalizes among localities and hears individual appeals		Motor vehicles are exempt - pay privilege tax
New Hampshire	No	Full value (in theory)	Town and city boards of assessors, town selectmen	Commissioner of Revenue Administration supervises assessors generally; prescribes returns; assesses unincorporated areas	Commissioner of Revenue Administration equalizes among localities by adjusting the aggregate	Dept. of Revenue Administration assesses operating property of utilities	Most personal property is exempt; New England system (see Connecticut), county apportions taxes to towns
	Property of telephone, telegraph and messenger services taxed only locally; other business personal property taxed only by state.	50%	Appointed municipal assessors supervised by county boards of assessors assess local tax; state tax assessed centrally	Division of Taxation supervises local assessors	Division of Taxation investigates local assessments and orders reassessments when necessary (mainly real property); Division of Tax Appeals hears individual appeals	All business property acquired after January 1, 1977 is exempt; the rest is subject to state valuation and taxation only (except telephone and telegraph companies which are taxed locally); Division of Taxation assesses railroad and canal companies	State business property tax is distributed to localities. New Jersey substantially revised its taxation of business personal property in 1960, again in 1968, and again in 1977.

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
	Yes	33 1/3% statewide	Elected county assessors	Property Tax Division supervises county assessors; establishes the methods of valuing property; issues extensive regulations and guidelines on the contents of returns and assessment practices (use is optional)	Director of the Property Tax Division may suspend any assessor who doesn't perform his duties properly; this division also does ratio studies	Oil and gas wells are exempt, but are subject to a production tax; special valuation system for railroads, utility properties, and some other industries	All non business tangible personal property belonging to an individual is exempt, registered motor vehicles and aircraft are also exempt
	No	Full value (in theory)	City, town, and county assessors	State Board of Equalization and Assessment supervises, confers with, advises, and assists the assessors	State Board of Equalization and Assessment hears appeals and determines equalization rates	State Board of Equalization and Assessment assesses special franchises (public utility operating property)	NO PERSONAL PROPERTY TAX; mobile homes and some machinery and tools are taxed as real estate
North Carolina	No	True value	County list takers under supervision of county tax supervisor	Dept. of Revenue supervises local assessment and tax procedure; may design forms and books. Provides substantial assistance in assessing business property	Property Tax Commission acts as equalization board and hears individual appeals	Dept. of Revenue assesses utilities and carriers	
North Dakota	No	50% of true value	Municipal assessors	State Tax Commissioner supervises assessments by local officials in order to achieve statewide uniformity; the Commissioner also has the authority to require uniform methods of assessment	State Board of Equalization equalizes among localities and hears individual appeals; Tax Commissioner does a ratio study	State Tax Commissioner and State Board of Equalization assess public utility operating property	Almost all personal property was exempted beginning in 1970; mobile homes are assessed by uniform state mandated standards

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Ohio	No	Industries: 39% reduced to 35% by 1981. - Machinery and equipment: 44% reduced to 35% by 1984	County auditor, acting as deputy of Tax Commissioner	Tax Commissioner administers property tax laws, prescribes forms and composite depreciation allowance tables	Tax Commissioner hears appeals	Tax Commissioner assesses inter-county corporations and public utilities; all taxpayers with personal property of \$5,000 or more must file duplicate return with Tax Commissioner	Only business personal property is taxed; automobile owners pay a license tax in lieu of ad valorem. State depreciation allowance tables are broken down by type of business
Oklahoma	No	35% statewide	Elected county assessor	State Tax Commission appoints 1 of the 3 members of each local equalization board; furnishes an assessment manual, prescribes forms and extensive valuation schedules	State Board of Equalization equalizes among counties by classes based on ratio study of Tax Commission; Court of Tax Review hears appeals	State Board of Equalization assesses public service property; textile manufacturers are exempt	Production tax on most oil and gas producers in lieu of property tax; motor vehicles are exempt
Oregon	No	100% statewide	County appraisers; must be certified by State Civil Service Commission (for real property only)	Dept. of Revenue is directed to supervise local officials closely in order to obtain uniformity; Dept. of Revenue also issues factor books for replacement costs; approves local forms	Dept. of Revenue does a ratio study and equalizes among counties, may order reassessment; hears individual appeals	Dept. of Revenue assesses public utilities	Only business personal property is taxed. Livestock and farm machinery exempt

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Pennsylvania	No	NO	PERSONAL	PROPERTY	TAX	Most machinery and tools are exempt - classified as personalty	Local tax on intangibles
Rhode Island	Yes	Locally determined	City and town board of assessors	Dept. of Community Affairs has general supervisory powers in state administration of local taxes	Dept. of Community Affairs equalizes localities on the basis of a ratio study	New manufacturing machinery exempt; levy on this property being phased out over 10 years; localities can exempt industrial and commercial property	New England system (see Connecticut)
South Carolina	Not since 1942	Statutory statewide; several classes	County assessors (real property only)	State Tax Commission supervises local assessment; directed to prepare manuals, guides, and other aids for the equitable assessment of property	State Tax Commission reviews rolls; may correct assessments and order a reassessment; Tax Board of Review hears appeals from State Tax Commission	State Tax Commission assesses all personal property of merchants and personal and real property of manufacturers, utilities and mines directly; localities may exempt certain manufactories for 5 years if approved by a referendum	State valuation guides for business property are set forth in statute-percentages based on type of business
South Dakota	Yes	60% of value statewide	Appointed county, city and town assessors	Dept. of Revenue supervises tax system; issues assessment manual, designs forms	State Board of Equalization equalizes among counties on request	Dept. of Revenue assesses operating property of utilities, railroads, and aircraft	Motor vehicles and mobile homes pay license tax in lieu of property tax. Personal property tax repealed as of January 1, 1979 (except utilities)

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Tennessee	No	Statutory statewide -- several classes	Elected county assessors (some cities have their own assessors)	Division of Property Assessment (under Board of Equalization) prepares and approves forms, issues instructions which local officials must follow	State Board of Equalization hears appeals	Utilities are assessed by Public Service Commission; local governments may exempt property of merchants who pay a business license tax	
Texas 44	Yes	Varies among taxing units	County and municipal assessors	State Comptroller acts as tax commissioner, prescribes forms and instructs local assessors		Utilities are assessed locally	Legislation which will become effective Jan. 1, 1982 sets up state-supervised appraisal districts and a State Property Tax Board to supervise them. The legislation will centralize some aspects of property assessment
Utah	Yes	30% using 1940 building costs	County and municipal assessors	State Tax Commission supervises local assessors and equalization boards; furnishes forms; issues regulations on assessment procedures	State Tax Commission equalizes among localities and hears individual appeals-- may cancel whole assessment and order a new one	State Tax Commission assesses utilities, mines, mills and smelters	Special tax on livestock and honey bees which is based on residency in state
Vermont	No	Listed at 1%	Town and city listers; appraisers appointed by the state assess unincorporated areas	Division of Property Valuation and Review prescribes forms; issues rules for administration of the property tax	Division of Property Valuation and Review appoints county appraisers to hear appeals from local assessors	Municipalities may vote to exempt inventories and instead tax machinery of manufacturers; taxpayer may opt to value business, personal property by cost or by book; towns may enter into contracts for valuing industrial and commercial property. Railroads are assessed by the Division of Property Assessment and Review	

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
Virginia	No - except certain property of manufacturers which is subject to state tax only	Fair market value (not adhered to)	Elected commissioners of the revenue	State Department of Taxation provides limited advisory service for machinery and tool assessment; Dept. of Taxation designs forms for optional use	None - Dept. of Taxation prepares a ratio study of <u>real</u> property	Inventory and personal property <u>other than</u> machinery and tools of manufacturing, mining, broadcasting, and certain other businesses are subject to State "capital" tax and are exempt from local personal property tax; inventories of merchants are taxed by <u>some</u> localities; utilities and railroads are assessed by State Corporation Commission	Livestock and farm machinery may be exempted by localities
Washington	Yes	100%	County assessors	Department of Revenue is directed to effect uniformity of assessments; supervises local assessors; publishes assessment manuals and valuation schedules; prescribes returns; and makes advisory valuations of industrial properties	Board of Tax Appeals hears individual appeals; Dept. of Revenue acts as equalization board; adjusts values based on ratio study of both real and personal property	Dept. of Revenue assesses operating property of intercounty utilities	

STATE	STATEWIDE TAX	LEGAL RATIO	LOCAL ASSESSOR	STATE SUPERVISION OF THE ASSESSMENT PROCESS	STATE VERIFICATION OF ASSESSMENTS	SPECIAL PROVISIONS RELATED TO BUSINESS	OTHER FEATURES
West Virginia	Yes	True value	County assessor	State Tax Commissioner supervises local assessment procedures; meets with local officials to secure uniform valuation; may employ experts to accumulate information from localities; must supply local officials with information necessary for a full and just assessment	State Tax Commissioner may send in experts to redo assessment; Board of Tax Review fixes and apportions state levy	Board of Public Works assesses utility property. State-appointed appraisers assigned to districts appraise commercial property for localities	
Wisconsin		True value (in theory)	Elected or appointed city, town or village assessors; must be certified by State Dept. of Revenue (some counties establish county-wide assessor system)	Dept. of Revenue provides detailed supervision of local assessors, prescribes forms and publishes assessment manuals; a state supervisor is appointed for each "property assessment district" (which includes several counties)	Dept. of Revenue hears appeals; may reassess all property in a district; equalizes among localities	As of 1981, merchants' stock in-trade and manufacturers' inventories will be exempt; manufacturing machinery is exempt; manufacturers' real property and intermunicipal utilities are assessed by Dept. of Revenue	As of 1981, livestock will be exempt; mobile homes and motor vehicles are subject to special tax in lieu of property tax
Wyoming	Yes	25% of value	Elected county and municipal assessors	Dept. of Revenue and Taxation provides standards for uniform assessments, supervises local assessors and investigates improper assessments	State Board of Equalization equalizes among classes and localities; hears appeals	State Board of Equalization assesses utilities	Personal property for personal use is exempt; licensed motor vehicles, inventories for resale, and livestock are exempt

PERSONAL PROPERTY TAX INFORMATION FROM LOCAL GOVERNMENTS

PERSONAL PROPERTY TAX INFORMATION
FROM LOCAL GOVERNMENTS

The Revenue Resources and Economic Commission sent a questionnaire to the treasurer and commissioner of the revenue for each locality. (Departments of Finance received the questionnaire if they performed the treasurer's or commissioner's functions). To date, 98 local governments have responded including 78 treasurers and 63 commissioners of the revenue.

Each official was asked for the following information: (1) dollar amount of personal property tax levy and collections; (2) collection and levy amount on automobiles and trucks (if separate information was available); (3) number of vehicles on the DMV list and number on the local license tax list; (4) information about issuing personal property tax payment receipts; (5) utilization and/or improvement in DMV vehicle tapes/ list; and (6) benefits (if any) from having DMV collect proof of personal property tax payments before issuing licenses.

The following table lists each locality and appropriate information as submitted. Bracketed information was supplied by commissioners of the revenue; all other information came from treasurers or Departments of Finance/Assessment. There was frequently no consensus on specific information from both officials in the locality. Information was taken from the "official" charged with a specific duty; both answers are listed to the item related to the appropriateness of DMV collecting proof of payment.

Seventy-eight localities submitted information about tangible personal property tax collections. The average (mean) collection rate was 95.1 percent. Twenty-one percent (16 localities) have collections in

excess of 98 percent, 46 localities collect at a rate higher than 96 percent, only 10 localities have a collection rate less than 90 percent. There does not appear to be any variable that correlates with collection ability.

Only eleven localities reported a figure on automobile and truck levy collections. The mean collection for those localities is 94.1%. Several localities stated that, although they do not separate such information, it is similar to the collection rate on other personal property. It was suggested (via public hearing testimony) that certain Northern Virginia localities have more severe collection problems with automobiles and trucks than with other forms of personal property. Indeed, it is mainly because of their concerns related to transient vehicle owners that this "proof of payment" portion of the study has been undertaken.

Eighteen of the 27 localities (66 percent) reporting vehicle information from DMV or local license lists had a greater number of vehicles listed on the DMV list. The mean relationship of DMV vehicles as a percentage on the local list was 108 percent. This information is relatively meaningless since it is impossible to know which specific vehicles are on each list, which vehicles are on neither list, et cetera. It does appear interesting that, at least in magnitude, the DMV list more often has a greater number of vehicles than those local lists reporting local license sales.

Of the 85 localities who answered the questions on receipts, 75 replied that they issued property tax payment receipts, 4 said they did not, and 6 stated that they issue receipts only upon request. Thirty-six of the 72 local officials who answered the questions were willing to issue an itemized receipt; 36 were not willing. Several of them later commented

that if there was reimbursement from the State, such a receipt could be issued. Because an itemized receipt is an essential element to the requirement of proof of tax payment, these answers are major considerations.

Of the 53 officials who stated that they utilized DMV tapes or lists for vehicle registration, 50 felt there was room for improvement. The situs issue was overwhelmingly mentioned. Many also requested that additional information such as model, style, date of purchase, social security number, and printed "book" values be included on the list. Several local officials suggested that names be listed alphabetically. Some suggested that information on the lists be in "peel-off-label" format. Since the improvements suggested tended to be in the form of constructive criticisms, the Commission has forwarded them to the appropriate DMV officials to assist them in making a more efficient and effective product for use by local government officials.

Those receiving questionnaires were asked if they felt that having the DMV collect proof of personal property tax payments would significantly increase revenues for their locality. Each was asked to elaborate on the benefits, if any. Of the 76 treasurers answering this item, 38 felt there should be such a check and 38 answered in the negative. Most proponents felt revenue would be significantly increased, while most opponents did not want State involvement. Of the 50 commissioners of the revenue answering this question, 16 felt there would be increased revenues if DMV collected proof of payment; 34 did not want the State playing a role in this tax. Some of the respondents volunteered that such a payment check is done at the local level and that collections are very high as a result of such efforts at the local level.

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported ***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing to		
Alexandria							
Bedford	99.2			yes			no
Bristol	95.2			yes	yes		yes
Buena Vista	95.8	N/A		yes	no		yes
Charlottesville	94.8			yes	yes		yes*
Chesapeake							
Clifton Forge	98.9			yes	no	[yes]	yes [no]
Colonial Heights	96.5	N/A		**			yes [yes]
Covington					[yes]	[yes]	[no]
Danville				[yes]	[yes]		[no]
Emporia						[yes]	[yes]
Fairfax				[no]		[yes]	[yes]
Falls Church	97.1	[N/A]		yes	yes	yes [yes]	yes [yes]
Franklin						[yes]	
Fredericksburg			[156]	no	no	[yes]	no
Galax	[97.0]	[94.0]	[144]	[yes]		[yes]	
Hampton	95.3			yes	yes	yes	no
Harrisonburg	99.6		[95.6]	yes	no	yes [yes]	no [no]
Hopewell							
Lexington							
Lynchburg				[yes]	[yes]	[yes]	[no]
Manassas							
Manassas Park	83.6	[N/A]	[70.0]	yes	no	[yes]	yes [no]
Martinsville							[no]
Newport News		[N/A]				[yes]	[no]
Norfolk	98.6	N/A		yes	yes		no

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported ***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing to		
Norton							
Petersburg							
Poquoson	97.9		86.7	yes		yes	
Portsmouth							
Radford	95.4	N/A		yes	no	[yes]	yes [yes]
Richmond	83.1	78.6	[100]	no [no]	yes	yes	yes [no]
Roanoke	99.1	N/A					no [no]
Salen			[111]			[yes]	[yes]
South Boston	97.6			yes	yes	[yes]	yes
Staunton	98.3	N/A		yes	yes		yes
Suffolk	97.4			yes	no		no* [no]
Va. Beach							
Waynesboro	98.1			yes	no	[yes]	yes [no]
Williamsburg							
Winchester	95.4	N/A	[101]	**		[yes]	no* [yes]
Accomack							
Albemarle	94.3	94.3	113	yes	yes	yes	yes
Alleghany							*
Jamecia	97.0		[118]	yes	no		no [no]
Luherst	98.6			yes	yes		no
Appomattox	96.5	N/A		yes [no]	yes [no]		yes [no]
Arlington							
Augusta	97.4	N/A		yes	yes		yes [yes]
Bath							
Bedford	96.7	N/A		**			no

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported ***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing To		
Bland	N/A		150	yes			yes*
Botetourt	98.8			yes	no		no
Brunswick							
Buchanan							
Buckingham							
Campbell	97.8			yes [yes]	no [no]		no
Caroline	91.6			yes			yes
Carroll							
Charles City	84.6	N/A		yes	yes		yes
Charlotte							[no]
Chesterfield							
Clarke						[yes]	[no]
Craig	N/A	N/A		yes	no	[yes]	no [no]*
Culpeper	93.4			yes [no]			no [no]
Cumberland							
Dickenson							
Dinwiddie	97.8			yes	no		no*
Essex	96.0			no	no		yes
Fairfax	96.7	96.7 (est.)	106	yes	yes [no]	yes	yes [yes]
Fauquier	92.5		[105]	yes	yes	[yes]	yes [no]
Floyd	99.0	99.0	113	yes [yes]	no [no]	yes [yes]	[yes]
Fluvanna							
Franklin	96.8	N/A		yes	no		no
Frederick	[99.6]	[98.0]		[yes]	[no]	[yes]	[no]
Giles							
Gloucester	95.6			yes	yes	[yes]	yes

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing to		
Goochland	98.1	N/A	102	yes	no		no
Grayson	96.8			yes	no		yes*
Greene							
Greenville	[98.0]	[N/A]	[105]	[yes]	[no]	[yes]	[no]
Halifax						[yes]	[no]
Hanover						[yes]	[no]*
Henrico	91.1	N/A	87.1	**		yes	yes
Henry							
Highland							
Isle of Wight							[no]
James City	97.0	N/A	[90.1]	yes		[yes]	[no] [no]
King George	98.2			yes	yes		yes
King and Queen	96.1		[97.0]	yes	no	yes	no [no]
King William	96.6			yes	no		no
Lancaster	98.3	N/A	1.28	yes	no	[yes]	no [no]
Lee							
Loudoun	97.7			yes	yes	[yes]	[no] [no]
Louisa	97.0	97.0		yes [yes]	[no]		yes [no]
Lunenburg	98.4		94.0	yes	no	yes	no
Madison	96.9	N/A		yes**	no	[yes]	no [no]
Mathews	86.4	N/A	97.8	yes	no		no
Mecklenburg	96.3	96.3		yes	no		no
Middlesex			[109]	[yes]	[no]	[yes]	[no]
Montgomery	89.8			yes			yes
Nelson	96.2			yes	yes		yes
New Kent	89.2	N/A		yes	no		no

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported ***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing To		
Northampton	94.2	N/A		**			no
Northumberland	96.1	N/A		yes	yes		no [no]
Nottoway		[N/A]				[yes]	
Orange	94.8	95.1		yes	yes	[yes]	yes [yes]
Page							
Patrick	97.7	N/A		yes [yes]	no [no]	no [no]	no
Pittsylvania	96.9			yes	yes	yes	no
Powhatan	92.8			yes			no*
Prince Edward							
Prince George				[no]		[no]	[no]
Prince William							
Pulaski	92.5			yes	no	[yes]	no
Rappahannock	96.0			yes	no		no*
Richmond				[no]	[no]		[yes]
Roanoke							
Rockbridge	98.7	N/A		yes	no		
Rockingham	91.0		[127]	yes [yes]	yes [no]	[yes]	yes [yes]
Russell							
Scott	77.9	N/A		yes	yes		yes
Shenandoah	94.5	N/A		yes	yes		no
Smyth							
Southampton							
Spotsylvania	88.2	N/A		yes	yes	[yes]	yes [no]
Stafford	88.9	[N/A]	[108]	yes [yes]	yes	[yes]	yes [yes]
Surry	97.1	94.4	[97.0]	yes [yes]	yes [yes]	[yes]	yes
Sussex	97.6			yes [yes]	no		yes* [yes]

Personal Property Tax Information from Local Governments

Locality	% Personal Property Tax Collected	% Auto Levy Collected	% DMV of Local Autos Reported ***	Issue Receipts		Desire Improvement in DMV Tapes	Prefer DMV Verification of Personal Property Tax Payment
				Present	Willing To		
Lazewell							
Warren	85.4			yes [yes]	[yes]	yes [yes]	yes [yes]
Washington							
Westmoreland	95.4	N/A		yes	no		no
Wise							
Wythe	95.2			yes	yes		yes
York	97.0	N/A	.	yes	yes	[no]	no [no]

[] Denotes information from the Commissioners of the Revenue; all other information is from the Treasurers or Departments of Finance/Assessment.

* Presently require proof of payment at the local level (information was volunteered).

** If requested.

*** If larger than 100%, indicates greater number of vehicles on DMV list than on local list; likewise, if percentage is less than 100, the number on the local list exceeds DMV's list. Information is minimally valuable since there is no check to examine if a specific vehicle is on both lists, only one list, or neither list.

DATA ON PERSONAL PROPERTY TAXATION FOR VIRGINIA LOCALITIES

TABLE I

Assessment Methods1978 Personal Property Taxes
in Virginia Counties and Cities

	<u>County</u>	<u>City</u>
I. <u>Automobiles*</u>		
A. <u>Percent of original cost</u>	5	4
B. <u>Fair Market Value</u>	6	0
C. <u>Book Value - Depreciated cost</u>	1	0
D. <u>N.A.D.A. Official Used Car Guide</u>		
1. <u>loan value</u>	16	10
2. <u>trade-in value</u>	14	6
3. <u>retail value</u>	17	9
4. <u>average loan & retail value</u>	1	1
5. <u>wholesale</u>	2	1
E. <u>Red Book, National Market Reports, Inc.</u>		
1. <u>retail value</u>	17	8
2. <u>wholesale value</u>	5	1
3. <u>loan value</u>	6	1
4. <u>average finance value</u>	1	0
5. <u>trade-in value</u>	1	0
F. <u>Blue Book, National Market Reports, Inc.</u>		
1. <u>wholesale value</u>	1	0
	TOTALS:	93 41
II. <u>Machinery and Tools</u>		
A. <u>Percent of original cost</u>	48	36
B. <u>Fair Market Value</u>	22	1
C. <u>Book Value</u>	25	4
	TOTALS:	95 41
III. <u>Trucks*</u>		
A. <u>Percent of original cost</u>	8	8
B. <u>Fair Market Value</u>	6	0
C. <u>Book Value</u>	1	0

* Buchanan county's tax method depends on make and age; ranges from \$460 to \$40 per vehicle. Page county's method depends on weight and year model; ranges from \$600 to \$5 per vehicle.

D. N.A.D.A.

1. <u>loan value</u>	13	8
2. <u>trade-in value</u>	11	7
3. <u>retail value</u>	15	7
4. <u>wholesale value</u>	1	0
5. <u>average loan and retail value</u>	1	0

E. Red Book

1. <u>retail</u>	8	3
2. <u>wholesale</u>	3	0
3. <u>loan</u>	5	0
4. <u>financial value</u>	0	0

F. Blue Book

1. <u>retail value</u>	1	1
2. <u>wholesale value</u>	1	0
3. <u>loan value</u>	1	0

G. Truck Blue Book

1. <u>retail value</u>	10	3
2. <u>loan value</u>	3	2
3. <u>trade-in value</u>	3	0
4. <u>wholesale value</u>	1	1
5. <u>average financial value</u>	0	1
6. <u>average of retail & wholesale value</u>	1	0

TOTALS: 93 41

Information Source:

Local Taxes on Manufacturers in Virginia, A publication of the Virginia Division of Industrial Development, October, 1978.

TABLE II

A Sample Automobile¹ Tax Bill²
by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
ALEXANDRIA	3425.00	178.10
BEDFORD CITY	2475.00	32.17
BRISTOL	1031.25	41.25
BUENA VISTA	3425.00	123.30
CHARLOTTESVILLE	3100.00	136.09
CHESAPEAKE	3100.00	96.72
CLIFTON FORGE	3100.00	53.32
COLONIAL HEIGHTS	2350.00	58.75
COVINGTON	2037.50	84.56
DANVILLE	3425.00	102.75
EMPORIA	3125.00	156.25
FAIRFAX CITY	4125.00	123.34
FALLS CHURCH	3425.00	188.37
FRANKLIN CITY	4075.00	130.40
FREDERICKSBURG	3667.50	124.69
GALAX	618.75	38.05
HAMPTON	3100.00	155.00
HARRISONBURG	1712.50	45.38
HOPEWELL	2037.50	89.65
LEXINGTON	3918.75	188.10
LYNCHBURG	2887.50	86.62
MANASSAS	3100.00	65.41
MANASSAS PARK	3425.00	102.75
MARTINSVILLE	1630.00	36.67
NEWPORT NEWS	3100.00	167.40
NORFOLK	3613.00	144.52
NORTON	1374.86	75.62
PETERSBURG	2350.00	72.85
POQUOSON	3100.00	164.30
PORTSMOUTH	3100.00	124.00
RADFORD	2037.50	57.05
RICHMOND CITY	3425.00	122.96

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE II
 A Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
ROANOKE CITY	2350.00	96.35
SALEM	2820.00	91.65
SOUTH BOSTON	3100.00	32.55
STAUNTON	1650.00	55.27
SUFFOLK	2037.50	81.50
VIRGINIA BEACH	1833.75	110.02
WAYNESBORO	2062.50	103.12
WILLIAMSBURG	3100.00	108.50
WINCHESTER	3475.00	112.94
ACCOMACK *	200.00	22.70
ALBEMARLE	3100.00	182.90
ALLEGHANY	1650.00	98.17
AMELIA	1027.50	50.35
AMHERST	1222.50	48.29
APPOMATTOX	2062.50	72.19
ARLINGTON	3425.00	202.07
AUGUSTA	1650.00	51.15
BATH	1712.50	53.09
BEDFORD COUNTY	815.00	34.23
BLAND*	250.00	18.37
BOTETOURT	937.50	48.75
BRUNSWICK	3100.00	108.50
BUCHANAN *	260.00	14.30
BUCKINGHAM	3425.00	82.20
CAMPBELL	2037.50	64.18
CAROLINE	1630.00	54.60
CARROLL	1237.50	30.44
CHARLES CITY	3425.00	59.94
CHARLOTTE	1141.55	36.53
CHESTERFIELD	2350.00	84.60
CLARKE	3475.00	112.94
CRAIG*	1000.00	35.00

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE II
 A Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
CULPEPER	1370.00	58.91
CUMBERLAND*	900.00	46.80
DICKENSON	347.50	36.49
DINWIDDIE	3100.00	136.40
ESSEX	3100.00	131.75
FAIRFAX COUNTY	3425.00	164.40
FAUQUIER	3425.00	160.97
FLOYD	618.75	27.84
FLUVANNA	3425.00	106.17
FRANKLIN COUNTY	620.00	33.48
FREDERICK	3475.00	139.00
GILES	903.25	45.61
GLOUCESTER	2037.50	66.22
GOOCHLAND	3125.00	109.37
GRAYSON	578.93	33.58
GREENE	825.00	99.00
GREENESVILLE	3125.00	78.12
HALIFAX	1018.75	29.03
HANOVER	2350.00	82.25
HENRICO	3100.00	117.80
HENRY	856.25	49.23
HIGHLAND	1222.50	48.90
ISLE OF WIGHT	3100.00	117.80
JAMES CITY	3100.00	124.00
KING GEORGE	3475.00	100.77
KING & QUEEN	4125.00	26.81
KING WILLIAM	3125.00	121.87
LANCASTER	1650.00	62.70
LEE*	280.00	33.60
LOUDOUN	1880.00	94.00
LOUISA	1370.00	46.58
LUNENBURG *	700.00	31.50

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE II
 A Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
MADISON	1018.75	43.81
MATHEWS	2062.50	51.56
MECKLENBURG	930.00	30.22
MIDDLESEX	1443.75	43.31
MONTGOMERY	1358.20	93.72
NELSON	4075.00	81.50
NEW KENT	4075.00	34.64
NORTHAMPTON	1027.50	64.22
NORTHUMBERLAND	1566.51	37.60
NOTTOWAY	1875.00	75.00
ORANGE	1630.00	89.65
PAGE *	375.00	37.50
PATRICK	1222.50	42.79
PITTSYLVANIA	1027.50	28.26
POWHATAN	1374.86	53.62
PRINCE EDWARD	1550.00	58.90
PRINCE GEORGE	3100.00	108.50
PRINCE WILLIAM	3425.00	137.00
PULASKI	856.25	41.10
RAPPAHANNOCK	781.25	32.81
RICHMOND COUNTY	3100.00	108.50
ROANOKE COUNTY	2350.00	76.37
ROCKBRIDGE	3100.00	139.50
ROCKINGHAM	1650.00	49.50
RUSSELL	407.50	23.43
SCOTT	412.50	41.25
SHENANDOAH	1630.00	35.86
SMYTH	412.50	24.75
SOUTHAMPTON	3125.00	125.00
SPOTSYLVANIA	1630.00	35.86
STAFFORD	1650.00	47.85
SURRY	3100.00	103.85

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE II
 A Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
SUSSEX	1630.00	81.50
TAZEWELL	1237.50	53.21
WARREN	4125.00	80.44
WASHINGTON	310.00	26.66
WESTMORELAND	3100.00	27.28
WISE *	1025.	47.15
WYTHE	3775.00	21.14
YORK	3100.00	145.70

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

* Data obtained by calling locality due to the fact that the locality had either developed their own assessment schedule or had somewhat arbitrarily chosen assessed values.

NOTE: Source for assessment method: Division of Industrial Development, Local Taxes on Manufacturers in Virginia, October, 1978.

TABLE III

Ranking of Sample Automobile¹ Tax Bill²
by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
WYTHE	3775.00	21.14
RUSSELL	407.50	23.43
SMYTH	412.50	24.75
WASHINGTON	310.00	26.66
KING & QUEEN	4125.00	26.81
WESTMORELAND	3100.00	27.28
FLOYD	618.75	27.84
PITTSYLVANIA	1027.50	28.26
HALIFAX	1018.75	29.03
MECKLENBURG	930.00	30.22
CARROLL	1237.50	30.44
BEDFORD CITY	2475.00	32.17
SOUTH BOSTON	3100.00	32.55
RAPPAHANNOCK	781.25	32.81
FRANKLIN COUNTY	620.00	33.48
GRAYSON	578.93	33.58
BEDFORD COUNTY	815.00	34.23
NEW KENT	4075.00	34.64
SHENANDOAH	1630.00	35.86
SPOTSYLVANIA	1630.00	35.86
DICKENSON	347.50	36.49
CHARLOTTE	1141.55	36.53
MARTINSVILLE	1630.00	36.67

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE III

Ranking of a Sample Automobile¹ Tax Bill²
by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
NORTHUMBERLAND	1566.51	37.60
GALAX	618.75	38.05
PULASKI	856.25	41.10
SCOTT	412.50	41.25
BRISTOL	1031.25	41.25
PATRICK	1222.50	42.79
MIDDLESEX	1443.75	43.31
MADISON	1018.75	43.81
HARRISONBURG	1712.50	45.38
GILES	903.25	45.61
LOUISA	1370.00	46.58
STAFFORD	1650.00	47.85
AMHERST	1222.50	48.29
BOTETOURT	937.50	48.75
HIGHLAND	1222.50	48.90
HENRY	856.25	49.23
ROCKINGHAM	1650.00	49.50
AMELIA	1027.50	50.35
AUGUSTA	1650.00	51.15
MATHEWS	2062.50	51.56
BATH	1712.50	53.09
TAZEWELL	1237.50	53.21
CLIFTON FORGE	3100.00	53.32
POWHATAN	1374.86	53.62
CAROLINE	1630.00	54.60
STAUNTON	1650.00	55.27
RADFORD	2037.50	57.05
COLONIAL HEIGHTS	2350.00	58.75
PRINCE EDWARD	1550.00	58.90
CULPEPER	1370.00	58.91
CHARLES CITY	3425.00	59.94
LANCASTER	1650.00	62.70

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE III
 Ranking of a Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
CAMPBELL	2037.50	64.18
NORTHAMPTON	1027.50	64.22
MANASSAS	3100.00	65.41
GLOUCESTER	2037.50	66.22
APPOMATTOX	2062.50	72.19
PETERSBURG	2350.00	72.85
NOTTOWAY	1875.00	75.00
NORTON	1374.86	75.62
ROANOKE COUNTY	2350.00	76.37
GREENESVILLE	3125.00	78.12
WARREN	4125.00	80.44
SUSSEX	1630.00	81.50
SUFFOLK	2037.50	81.50
NELSON	4075.00	81.50
BUCKINGHAM	3425.00	82.20
HANOVER	2350.00	82.25
COVINGTON	2037.50	84.56
CHESTERFIELD	2350.00	84.60
LYNCHBURG	2887.50	86.62
HOPEWELL	2037.50	89.65
ORANGE	1630.00	89.65
SALEM	2820.00	91.65
MONTGOMERY	1358.20	93.72
LOUDOUN	1880.00	94.00
ROANOKE CITY	2350.00	96.35
CHESAPEAKE	3100.00	96.72
ALLEGHANY	1650.00	98.17
GREENE	825.00	99.00
KING GEORGE	3475.00	100.77
DANVILLE	3425.00	102.75
MANASSAS PARK	3425.00	102.75
WAYNESBORO	2062.50	103.12

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE III
 Ranking of a Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
SURRY	3100.00	103.85
FLUVANNA	3425.00	106.17
WILLIAMSBURG	3100.00	108.50
BRUNSWICK	3100.00	108.50
PRINCE GEORGE	3100.00	108.50
RICHMOND COUNTY	3100.00	108.50
GOOCHLAND	3125.00	109.37
VIRGINIA BEACH	1833.75	110.02
WINCHESTER	3475.00	112.94
CLARKE	3475.00	112.94
HENRICO	3100.00	117.80
ISLE OF WIGHT	3100.00	117.80
KING WILLIAM	3125.00	121.87
RICHMOND CITY	3425.00	122.96
BUENA VISTA	3425.00	123.30
FAIRFAX CITY	4125.00	123.34
PORTSMOUTH	3100.00	124.00
JAMES CITY	3100.00	124.00
FREDERICKSBURG	3667.50	124.69
SOUTHAMPTON	3125.00	125.00
FRANKLIN CITY	4075.00	130.40
ESSEX	3100.00	131.75
CHARLOTTESVILLE	3100.00	136.09
DINWIDDIE	3100.00	136.40
PRINCE WILLIAM	3425.00	137.00
FREDERICK	3475.00	139.00
ROCKBRIDGE	3100.00	139.50
NORFOLK	3613.00	144.52
YORK	3100.00	145.70

1 -- BASED ON A 1977 CHEVROLET CHEVELLE MALIBU.

2 -- BASED ON JANUARY 1, 1978 ASSESSMENT AND TAX RATES.

TABLE III
 Ranking of a Sample Automobile¹ Tax Bill²
 by Locality

LOCALITY	ASSESSED VALUE	TAX BILL
HAMPTON	3100.00	155.00
EMPORIA	3125.00	156.25
FAUQUIER	3425.00	160.97
POQUOSON	3100.00	164.30
FAIRFAX COUNTY	3425.00	164.40
NEWPORT NEWS	3100.00	167.40
ALEXANDRIA	3425.00	178.10
ALBEMARLE	3100.00	182.90
LEXINGTON	3918.75	188.10
FALLS CHURCH	3425.00	188.37
ARLINGTON	3425.00	202.07

NOTE: The following localities were not computer ranked due to the fact that the locality had either developed their own assessment schedule or had somewhat arbitrarily chosen assessed values:

LOCALITY	ASSESSED VALUE	TAX BILL
ACCOMACK	200.00	22.70
BLAND	250.00	18.37
BUCHANAN	260.00	14.30
CRAIG	1000.00	35.00
CUMBERLAND	900.00	46.80
LEE	280.00	33.60
LUNENBURG	700.00	31.50
PAGE	375.00	37.50
WISE	1025.00	47.15

TABLE IV

Ranked List of Personal Property Tax Rates
Using Effective Rate Per 100 Dollars ^{1/}

Locality	Effective Tangible Personal Property Tax Rate ^{2/}
Accomack	.
Bland	.
Buchanan	.
Craig	.
Cumberland	.
Lee	.
Lunenburg	.
Page	.
Wise ^{3/}	.
Russell	0.23
Smyth	0.25
Washington	0.27
King & Queen	0.27
Westmoreland	0.27
Floyd	0.28
Pittsylvania	0.28
Halifax	0.29
Mecklenburg	0.30
Carroll	0.30
Bedford City	0.32
South Boston	0.33
Rappahannock	0.33
Franklin County	0.33
Grayson	0.34
Bedford County	0.34
New Kent	0.35
Shenandoah	0.36
Spotsylvania	0.36
Dickenson	0.36

^{1/} Smallest to largest.

^{2/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{3/} Preceding nine counties are not ranked. See Table III NOTE.

TABLE IV

Ranking List of Personal Property Tax Rates
Using Effective Rate Per 100 Dollars ^{1/}

Locality	Effective Tangible Personal Property Tax Rate ^{2/}
Charlotte	0.37
Martinsville	0.37
Northumberland	0.38
Galax	0.38
Pulaski	0.41
Scott	0.41
Bristol	0.41
Patrick	0.43
Middlesex	0.43
Madison	0.44
Harrisonburg	0.45
Giles	0.46
Louisa	0.47
Stafford	0.48
Amherst	0.48
Botetourt	0.49
Highland	0.49
Henry	0.49
Rockingham	0.49
Amelia	0.50
Augusta	0.51
Mathews	0.52
Bath	0.53
Tazewell	0.53
Clifton Forge	0.53
Powhatan	0.54
Caroline	0.55
Staunton	0.55
Radford	0.57
Colonial Heights	0.59
Prince Edward	0.59
Culpeper	0.59
Charles City	0.60
Lancaster	0.63
Campbell	0.64

^{1/} Smallest to largest.

^{2/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

TABLE IV

Ranking List of Personal Property Tax Rate
Using Effective Rate Per 100 Dollars ^{1/}

Locality	Effective Tangible Personal Property Tax Rate ^{2/}
Northampton	0.64
Manassas	0.65
Gloucester	0.66
Appomattox	0.72
Petersburg	0.73
Nottoway	0.75
Norton	0.76
Roanoke County	0.76
Greensville	0.78
Warren	0.80
Sussex	0.81
Suffolk	0.81
Nelson	0.81
Buckingham	0.82
Hanover	0.82
Covington	0.85
Chesterfield	0.85
Lynchburg	0.87
Hopewell	0.90
Orange	0.90
Salem	0.92
Montgomery	0.94
Loudoun	0.94
Roanoke City	0.96
Chesapeake	0.97
Alleghany	0.98
Greene	0.99
King George	1.01
Danville	1.03
Manassas Park	1.03
Waynesboro	1.03
Surry	1.04
Fluvanna	1.06
Williamsburg	1.08
Brunswick	1.08
Prince George	1.08

^{1/} Smallest to largest.

^{2/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

TABLE IV

Ranked List of Personal Property Tax Rates
Using Effective Rate Per 100 Dollars 1/

Locality	Effective Tangible Personal Property Tax Rate <u>2/</u>
Richmond County	1.08
Goochland	1.09
Virginia Beach	1.10
Winchester	1.13
Clarke	1.13
Henrico	1.18
Isle of Wight	1.18
King William	1.22
Richmond City	1.23
Buena Vista	1.23
Fairfax City	1.23
Portsmouth	1.24
James City County	1.24
Fredericksburg	1.25
Southampton	1.25
Franklin City	1.30
Essex	1.32
Charlottesville	1.36
Dinwiddie	1.36
Prince William	1.37
Frederick	1.39
Rockbridge	1.39
Norfolk	1.45
York	1.46
Hampton	1.55
Emporia	1.56
Fauquier	1.61
Poquoson	1.64
Fairfax County	1.64
Newport News	1.67
Alexandria	1.78
Albemarle	1.83
Lexington	1.88
Falls Church	1.88
Arlington	2.02

1/ Smallest to largest.

2/ Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

TABLE V

Comparison of Real and Personal Property Effective Tax Rates

Locality	Effective Tangible Personal Property Tax Rate ^{1/}	Effective Real Property Tax Rate ^{2/}	Percentage Comparison- Personal to Real Property Rates
Alexandria	1.78	1.45	1.23
Bedford City	0.32	0.58	0.55
Bristol	0.41	1.02	0.40
Buena Vista	1.23	0.88	1.40
Charlottesville	1.36	1.19	1.14
Chesapeake	0.97	1.17	0.83
Clifton Forge	0.53	1.19	0.45
Colonial Heights	0.59	0.98	0.60
Covington	0.85	0.59	1.43
Danville	1.03	0.75	1.37
Emporia	1.56	0.70	2.23
Fairfax City	1.23	1.64	0.75
Falls Church	1.88	1.08	1.74
Franklin City	1.30	0.86	1.52
Fredericksburg	1.25	0.92	1.36
Galax	0.38	0.64	0.59
Hampton	1.55	1.37	1.13
Harrisonburg	0.45	0.60	0.76
Hopewell	0.90	0.94	0.95
Lexington	1.88	0.68	2.77
Lynchburg	0.87	1.16	0.75
Manassas	0.65	1.55	0.42
Manassas Park	1.03	2.11	0.49
Martinsville	0.37	0.91	0.40
Newport News	1.67	1.32	1.27
Norfolk	1.45	1.12	1.29
Norton	0.76	0.52	1.45
Petersburg	0.73	1.38	0.53
Poquoson	1.64	0.63	2.61
Portsmouth	1.24	1.14	1.09
Radford	0.57	0.76	0.75
Richmond City	1.23	1.59	0.77
Roanoke City	0.96	1.44	0.67
Salem	0.92	1.14	0.80

^{1/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{2/} Effective true tax rate computed by the Virginia Department of Taxation.

TABLE V

Comparison of Real and Personal Property Effective Tax Rates

Locality	Effective Tangible Personal Property Tax Rate ^{1/}	Effective Real Property Tax Rate ^{2/}	Percentage Comparison- Personal to Real Property Rates
South Boston	0.33	0.84	0.39
Staunton	0.55	0.71	0.78
Suffolk	0.81	0.87	0.94
Virginia Beach	1.10	0.75	1.47
Waynesboro	1.03	0.84	1.23
Williamsburg	1.08	0.57	1.90
Winchester	1.13	0.97	1.16
Accomack	.	0.28	.
Albemarle	1.83	0.65	2.81
Alleghany	0.98	0.61	1.61
Amelia	0.50	0.35	1.44
Amherst	0.48	0.47	1.03
Appomattox	0.72	0.54	1.34
Arlington	2.02	1.35	1.50
Augusta	0.51	0.45	1.14
Bath	0.53	0.41	1.29
Bedford County	0.34	0.45	0.76
Bland	.	0.25	.
Botetourt	0.49	0.62	0.79
Brunswick	1.08	0.43	2.52
Buchanan	.	0.36	.
Buckingham	0.82	0.31	2.65
Campbell	0.64	0.54	1.19
Caroline	0.55	0.50	1.09
Carroll	0.30	0.64	0.48
Charles City	0.60	0.59	1.02
Charlotte	0.37	0.29	1.26
Chesterfield	0.85	1.03	0.82
Clarke	1.13	0.42	2.69
Craig	.	0.45	.
Culpeper	0.59	0.52	1.13
Cumberland	.	0.26	.
Dickenson	0.36	0.37	0.99

^{1/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{2/} Effective true tax rate computed by the Virginia Department of Taxation.

TABLE V

Comparison of Real and Personal Property Effective Tax Rates

Locality	Effective Tangible Personal Property Tax Rate ^{1/}	Effective Real Property Tax Rate ^{2/}	Percentage Comparison- Personal to Real Property Rates
Dinwiddie	1.36	0.47	2.90
Essex	1.32	0.37	3.56
Fairfax County	1.64	1.45	1.13
Fauquier	1.61	0.40	4.02
Floyd	0.28	0.26	1.07
Fluvanna	1.06	0.31	3.42
Franklin County	0.33	0.37	0.90
Frederick	1.39	0.44	3.16
Giles	0.46	0.31	1.47
Gloucester	0.66	0.48	1.38
Goochland	1.09	0.44	2.49
Grayson	0.34	0.43	0.78
Greene	0.99	0.43	2.30
Greensville	0.78	0.33	2.37
Halifax	0.29	0.35	0.83
Hanover	0.82	0.48	1.71
Henrico	1.18	0.87	1.35
Henry	0.49	0.52	0.95
Highland	0.49	0.38	1.29
Isle of Wight	1.18	0.32	3.68
James City County	1.24	0.75	1.65
King George	1.01	0.65	1.55
King and Queen	0.27	0.47	0.57
King William	1.22	0.51	2.39
Lancaster	0.63	0.33	1.90
Lee	.	0.43	.
Loudoun	0.94	0.96	0.98
Louisa	0.47	0.31	1.50
Lunenburg	.	0.37	.
Madison	0.44	0.41	1.07
Mathews	0.52	0.34	1.52

^{1/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{2/} Effective true tax rate computed by the Virginia Department of Taxation.

TABLE V

Comparison of Real and Personal Property Effective Tax Rates

Locality	Effective Tangible Personal Property Tax Rate ^{1/}	Effective Real Property Tax Rate ^{2/}	Percentage Comparison- Personal to Real Property Rates
Mecklenburg	0.30	0.31	0.97
Middlesex	0.43	0.30	1.44
Montgomery	0.94	0.77	1.22
Nelson	0.81	0.48	1.70
New Kent	0.35	0.67	0.52
Northampton	0.64	0.56	1.15
Northumberland	0.38	0.44	0.85
Nottoway	0.75	0.51	1.47
Orange	0.90	0.49	1.83
Page	.	0.49	.
Patrick	0.43	0.37	1.16
Pittsylvania	0.28	0.42	0.67
Powhatan	0.54	0.54	0.99
Prince Edward	0.59	0.33	1.78
Prince George	1.08	0.71	1.53
Prince William	1.37	1.52	0.90
Pulaski	0.41	0.43	0.96
Rappahannock	0.33	0.24	1.37
Richmond County	1.08	0.30	3.62
Roanoke County	0.76	0.95	0.80
Rockbridge	1.39	0.41	3.40
Rockingham	0.49	0.39	1.27
Russell	0.23	0.47	0.50
Scott	0.41	0.93	0.44
Shenandoah	0.36	0.29	1.24
Smyth	0.25	0.38	0.65
Southampton	1.25	0.45	2.78
Spotsylvania	0.36	0.56	0.64
Stafford	0.48	0.65	0.74
Surry	1.04	0.24	4.33
Sussex	0.81	0.34	2.40
Tazewell	0.53	0.44	1.21

^{1/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{2/} Effective true tax rate computed by the Virginia Department of Taxation.

TABLE V

Comparison of Real and Personal Property Effective Tax Rates

Locality	Effective Tangible Personal Property Tax Rate ^{1/}	Effective Real Property Tax Rate ^{2/}	Percentage Comparison- Personal to Real Property Rates
Warren	0.80	0.47	1.71
Washington	0.27	0.41	0.65
Westmoreland	0.27	0.53	0.51
Wise		0.37	
Wythe		0.47	
York	1.46	0.58	2.51

^{1/} Effective true tax rate computed by dividing tax bill on sample automobile by retail value of automobile (assuming retail value in N.A.D.A. manual).

^{2/} Effective true tax rate computed by the Virginia Department of Taxation.

METHODOLOGY

I. Automobile

- A. Sample automobile is a 1977 Chevrolet Chevelle Malibu
- B. Assessment date is January 1, 1978
- C. Assessment of automobile's value is based on the following methods (applying appropriate ratios):
 - 1. Original cost = \$4,700
 - 2. Book value (individual localities were called to obtain assessment)
 - 3. Fair market value (see number 2)
 - 4. N.A.D.A. Official Used Car Guide
 - a. loan value = \$3,100
 - b. trade-in value = \$3,425
 - c. retail value = \$4,125
 - d. wholesale value = \$3,425
 - 5. Red Book, National Market Reports, Inc.
 - a. retail value = \$4,075
 - b. wholesale value = \$3,475
 - c. loan/finance value = \$3,125
- D. Tax Bill = Assessed Value x Tax Rate (1978)
- E. Effective True Tax Rate = Tax Bill ÷ retail value of automobile (N.A.D.A.)

TENTATIVE PROPOSED LEGISLATION

2. A BILL to amend and reenact §§ 58-412, 58-829, 58-829.7, and
3 58-831 of the Code of Virginia, which classify certain
4 property for assessment and taxation.

5

6 Be it enacted by the General Assembly of Virginia:

7 1. That §§ 58-412, 58-829, 58-829.7 and 58-831 of the Code
8 of Virginia are amended and reenacted as follows:

9 § 58-412. What other property not included as
10 capital.--Real estate. - Real estate shall not be held to be
11 capital under § 58-411 but shall be listed and taxed as
12 other real estate.

13 Machinery and tools. - Machinery and tools used in a
14 manufacturing, mining, processing or reprocessing, radio or
15 television broadcasting, dairy, dry cleaning or laundry
16 business taxable on capital under § 58-418 shall not be held
17 to be capital under § 58-411, nor assessed as real estate,
18 but shall be listed for local taxation exclusively and each
19 city, town and county shall make a separate classification
20 for all such machinery and tools and fix the rate of levy
21 thereon, but such rate shall not be higher than the rate
22 imposed upon tangible personal property in such city, town,
23 county or district. Such property shall be valued as
24 provided in § 58-831.

25 Motor vehicles. - Motor vehicles and delivery equipment
26 used in a manufacturing, mining, processing or reprocessing,

1 radio or television broadcasting, dairy, dry cleaning or
2 laundry business taxable on capital under § 58-418 shall not
3 be held to be capital under § 58-411, but shall be listed
4 for local taxation exclusively and taxed as tangible
5 personal property.

6 Stocks and bonds. - The shares of stock mentioned in §
7 58-409, bonds of the political subdivisions of this State
8 mentioned in § 58-407 and bonds, notes and other evidences
9 of debt held by a regulated investment company, as defined
10 in § 851 et seq. of the Internal Revenue Code of 1954, or a
11 real estate investment trust, as defined in § 856 et seq. of
12 such Code, shall not be held to be capital under § 58-411.

13 Personal property. Personal property, tangible in
14 fact, used or employed in all trades and businesses taxable
15 on capital under this chapter, other than the manufacturing,
16 mining, radio or television broadcasting, dairy, dry
17 cleaning or laundry businesses, shall not be held to be
18 capital under § 58-411, except for inventory of stock on
19 hand which is held for resale directly or indirectly, but
20 shall be listed for local taxation exclusively and taxed as
21 tangible personal property. Personal property, tangible in
22 fact, used or employed in a manufacturing, mining, radio or
23 television broadcasting, dairy, dry cleaning or laundry
24 business taxable on capital shall be included in capital as
25 prescribed in § 58-411, except that machinery, tools and
26 motor vehicles and delivery equipment used in such business
27 shall be assessed and taxed locally as hereinabove provided.

28 § 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 is consistent with
7 requirements of this section and may reasonably be expected
8 to determine actual fair market value--. Nothing herein
9 shall be construed to prevent a commissioner of revenue from
10 taking into account the condition of the property. The
11 commissioner of revenue shall make available to taxpayers on
12 request a reasonable discription of his valuation methods.

13 (1) to (20) [Repealed.]

14 A. Farm animals, except as exempted under § 58-829.1:1.

15 B. Farm machinery, except as exempted under §
16 58-829.1:1.

17 C. Automobiles, except those described in subsections
18 F, G and H of this section, which shall be valued by means
19 of a recognized pricing guide or a percentage or percentages
20 of original cost .

21 D. Trucks and other vehicles, as defined in § 46.1-1,
22 except those described in subsections E through J of this
23 section, which shall be valued by means of a percentage or
24 percentages of original cost .

25 E. Mobile homes, as defined in § 36-71 (4), which shall
26 be valued and taxed in accordance with § 58-829.3.

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

28 G. Taxicabs.

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

5 I. Motorcycles, campers and other recreational vehicles
6 which shall be valued by means of a recognized pricing
7 guide or a percentage or percentages of original cost .

8 J. Boats and boat trailers, which shall be valued by
9 means of a recognized pricing guide or a percentage or
10 percentages of original cost .

11 K. Aircraft, other than that taxed as capital under
12 chapter 6 (§ 58-405 et seq.) of this title, which shall be
13 valued by means of a recognized pricing guide or a
14 percentage or percentages of original cost .

15 L. Household goods and personal effects, except as
16 exempted under § 58-829.1.

17 M. All tangible personal property employed in a trade
18 or business other than that taxed as capital under chapter 6
19 (§ 58-405 et seq.) of this title or § 58-833, or described
20 in subsections A through L of this section or in § 58-831,
21 which shall be valued by means of a percentage or
22 percentages of original cost .

23 N. All other personal property.

24 § 58-829.7. Classification of tangible personal
25 property used in research and development business as
26 separate item of taxation.--All tangible personal property
27 used in a research and development business is hereby set
28 aside as an item of taxation separate from all other

1 tangible property enumerated in this chapter. The governing
2 body of any county, city or town may, by ordinance, levy a
3 tax on such class of property at a different rate than the
4 tax on other personal property, provided that the ratio of
5 assessment and the rate of tax shall not exceed that
6 applicable to ~~such other tangible personal property~~
7 machinery and tools. Such property shall be valued by means
8 of a percentage or percentages of original cost.

9 § 58-831. Certain machinery and tools segregated for
10 local taxation only.--The machinery and tools segregated for
11 local taxation only under the provisions of § 58-412 other
12 than energy conversion equipment of manufacturers shall be
13 valued by means of a percentage or percentages of original
14 cost and taxed as provided by that section.

15 2. That the provisions of this act shall be effective for
16 tax years beginning on and after January one, nineteen
17 hundred eighty-one.

18 #

2 A BILL to amend and reenact §§ 58-837, 58-874 and 58-875 of
3 the Code of Virginia, expanding powers and duties of
4 Commissioners of the Revenue; penalty.

5

6 Be it enacted by the General Assembly of Virginia:

7 1. That §§ 58-837, 58-874 and 58-875 of the Code of
8 Virginia are amended and reenacted as follows:

9 § 58-837. Taxpayers to file returns.--Every taxpayer
10 owning any of the property mentioned in this chapter on
11 January first of any year shall file a return thereof with
12 the commissioner of the revenue for his county or city on
13 the forms ~~so~~ prescribed by such commissioner, and every
14 person who leases any of such property from the owner
15 thereof on such date shall file a return with the
16 commissioner of the revenue of the county or city wherein
17 such property is located giving the name and address of the
18 owner except any person leasing a motor vehicle which is
19 subject to the tax imposed under § 58-685.12 (c1). Such
20 returns shall be filed on or before May first of each year,
21 except as otherwise provided by ordinance authorized by §
22 58-347.

23 Every fiduciary shall file the returns mentioned in
24 this chapter with the commissioner of revenue having
25 jurisdiction. Every taxpayer owning machinery and tools or
26 business personal property shall include on his annual

1 return of such property such information as to the original
2 ~~total-capitalized cost-of-all-his-machinery-and-tools-in-the~~
3 ~~taxing-jurisdiction~~ and year of purchase of such property
4 as is required by the commissioner of the revenue. Such
5 information shall be consistent with that reported on the
6 federal income tax return .

7 § 58-874. Duties of commissioners as to personal
8 property, incomes and licenses.--Each commissioner of the
9 revenue shall:

10 (1) Review the reports of purchases and sales made by
11 ~~the-merchants-taxpayers-who-report-gross-receipts-for~~
12 ~~license-purposes~~ and assess for the current license year
13 additional license taxes when his investigations disclose
14 that ~~such-merchants-taxpayers~~ have reported less than the
15 law requires.

16 (2) Review the lists of all persons licensed by the
17 commissioner of the revenue and assess for the current
18 license year any person who has without a license conducted
19 any business for which a license is required.

20 (3) Review in regard to intangible personal property,
21 money and income such returns of taxpayers as may be
22 referred to him by the Department of Taxation and report to
23 the Department, for assessment, any additional intangible
24 personal property, money and income when his review or
25 investigation discloses that such property, money or income
26 has not been reported for taxation or has been reported for
27 taxation at less than the law requires.

28 (4) Call upon every taxpayer who may not have properly

1 returned to the commissioner of the revenue all his tangible
2 and intangible personal property-~~r~~-~~money~~ and income for the
3 current tax year and require such taxpayer to make a return
4 of the same and to this end the commissioner of the revenue
5 may summon, by registered letter or otherwise, the taxpayer
6 or any other person to appear before him at his office, to
7 answer, under oath, questions touching the ownership and
8 value of any tangible and intangible personal property-~~r~~
9 ~~money~~ and income of any and all taxpayers.

10 (5) Call upon and require taxpayers or their agents or
11 any person, firm or officer of a company or corporation to
12 furnish information relating to tangible or intangible
13 personal property-~~r~~-~~money~~, income or license taxes of any
14 and all taxpayers; and require taxpayers to furnish to them
15 access to their books of account or other papers and records
16 for the purpose of verifying the tax returns of such
17 taxpayers and procuring the information necessary to make a
18 complete assessment of any taxpayer's tangible and
19 intangible personal property.-~~money~~-and income and
20 ~~merchants~~ license taxes for the current tax year.

21 (5) Make such reports to the Department of Taxation as
22 may be required by law or as the rules and regulations
23 adopted by the State Tax Commissioner may require.

24 § 58-875. Penalty for refusal of taxpayers to furnish
25 information, etc.--Should any taxpayer required to furnish
26 to the commissioner of the revenue access to books of
27 account or other papers and records or should any taxpayer
28 or his agent or the officer of any company or corporation or

1 any other person required to furnish information to the
2 commissioner of the revenue or to answer under oath such
3 questions touching the ownership and the value of such
4 tangible or intangible personal property ~~and money~~ and income
5 and reports of purchases and sales of ~~merchants licenses~~,
6 refuse to furnish such information, such taxpayer, agent,
7 officer or other persons shall be deemed guilty of a
8 misdemeanor and shall be liable to a fine of not less than
9 ten dollars nor more than one hundred dollars; and each
10 day's refusal to furnish such access or information shall
11 constitute a separate offense.

12

#

2 A BILL to amend and reenact § 58-33 of the Code of Virginia,
3 setting forth the duties of the Tax Commissioner;
4 appropriation.

5

6 Be it enacted by the General Assembly of Virginia:

7 1. That § 58-33 of the Code of Virginia is amended and
8 reenacted as follows:

9 § 58-33. General powers and duties of Commissioner.--In
10 addition to the powers conferred and the duties imposed

11 elsewhere by law upon the State Tax Commissioner, he shall:

12 (1) Supervise the administration of the assessment and
13 tax laws of this State, insofar as they relate to subjects
14 of taxation taxed by the State for State purposes, with a
15 view to ascertaining the best methods of reaching all such
16 property, of effecting equitable assessments and of avoiding
17 conflicts and duplication of taxation of the same property;
18 and recommend to the Governor and the General Assembly such
19 measures as will promote uniform assessments, just rates and
20 harmony and cooperation among all officials connected with
21 the revenue system of the State.

22 (2) Exercise general supervision over all commissioners
23 of the revenue so far as the duties of such officers pertain
24 to State revenues; and confer with, instruct and advise all
25 such officers in the performance of their duties to the
26 extent stated and investigate at any time the assessment and

1 collection of State taxes in any county or city and when the
2 assessment is found unreasonable and unjust take steps to
3 correct the same in the manner provided by law; and
4 institute proceedings by motion in writing in the proper
5 court, or before the judge of such court in vacation, for
6 the removal or suspension of commissioners of the revenue
7 for incompetency, neglect or other official misconduct and
8 order the Comptroller to withhold compensation from any
9 commissioner of the revenue who fails to comply with any law
10 governing the duties or any lawful instruction of the
11 Commissioner, until such commissioner of the revenue
12 complies with such law or instruction.

13 (2a) Provide commissioners of the revenue with
14 information and assistance in the assessment of personal
15 property, including the maintenance of a reference library,
16 the conduct of instructional programs, and the provision of
17 expert personnel.

18 (3) Prescribe the forms of books, schedules and blanks
19 to be used in the assessment and collection of State taxes
20 and call for and prescribe the forms of such statistical
21 reports, notices and other papers as he may deem necessary
22 to the proper administration of the law, and prescribe and
23 install uniform systems to be used by State assessing
24 officials.

25 (4) Direct such proceedings, actions and prosecutions
26 to be instituted as may be needful to enforce the revenue
27 laws of the State and call on the Attorney General or other
28 proper officer, to prosecute such actions and proceedings.

1 (5) Intervene, by petition or otherwise, whenever
2 deemed advisable in any action or proceeding pending in any
3 court wherein the constitutionality or construction of any
4 State tax or revenue statute or the validity of any State
5 tax is in question; and the court wherein such action or
6 proceeding is pending may, by order entered therein, make
7 the Commissioner a party thereto whenever deemed necessary.

8 (6) Upon request by any local board of equalization or
9 any ten citizens and taxpayers of the locality, but only
10 upon such request, render advisory aid and assistance to
11 such board in the matter of equalizing the assessments of
12 real estate and tangible personal property as among property
13 owners of the locality.

14 (7) Make a report of his proceedings and
15 recommendations to the Governor on or before the first day
16 of November preceding a regular session of the General
17 Assembly, which the Governor shall transmit to the General
18 Assembly.

19 2. That to implement the provisions of this act there is
20 hereby appropriated from the general fund of the State
21 treasury the sum of one hundred seventeen thousand dollars
22 for each year of the 1980-1981 biennium, to be expended by
23 the Property Tax Division of the Department of Taxation.

24

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