



Albemarle County

Legislation Details (With Text)

File #: 17-468 **Version:** 1 **Name:**
Type: Ordinance **Status:** Passed
File created: 7/12/2017 **In control:** Board of Supervisors
On agenda: 8/2/2017 **Final action:** 8/2/2017
Title: Tax Ordinance Amendments (Chapter 15). To receive comments on its intention to adopt an ordinance to amend Chapter 15 (Taxation) of the Albemarle County Code, by amending Article XI (Personal Property-In General), Sections 15-1101 (Exemption of certain personal property from taxation) and 15-1101.2 (Separate classification of certain tangible personal property employed in a trade or business). The proposed ordinance would exempt all-terrain vehicles and off-road motorcycles from personal property taxes (§ 15-1101). The proposed ordinance also would raise from \$250 to \$500 the original cost threshold under which a taxpayer may provide an aggregate estimate of the total cost of all such property (§ 15-1101.2).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attach.A Proposed Ordinance

| Date | Ver. | Action By | Action | Result |
|----------|------|----------------------|---------|--------|
| 8/2/2017 | 1 | Board of Supervisors | adopted | Pass |

AGENDA DATE: 8/2/2017

TITLE: Tax (Chapter 15) Ordinance Amendments

SUBJECT/PROPOSAL/REQUEST: Public Hearing to Consider Proposed Tax Ordinance Amendments

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Walker, Letteri, Kamptner, Herrick, Burrell, Lamb

PRESENTER (S): Betty Burrell

LEGAL REVIEW: Yes

REVIEWED BY: Douglas C. Walker

BACKGROUND: Upon review of the County's tax regulations, the Finance Department is recommending updates and improvements to two sections of Chapter 15 (Taxation) of the Albemarle County Code. These proposed revisions are intended both to improve the County's collection processes and to conform the County Code with recent changes in State law.

STRATEGIC PLAN: Economic Prosperity -- Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION: If adopted, the proposed ordinance would revise two sections of Chapter 15 (Taxation) of the

County Code.

* **Sec. 15-1101** - To exempt “All-terrain vehicles, and off-road motorcycles” as defined in § 46.2-100 from personal property taxation.

Purpose of this proposed change: To ensure fair and equitable treatment of all-terrain vehicles and off-road motorcycles for tax purposes. Revenue Administration relies heavily on the Department of Motor Vehicles (DMV) for information about taxable tangible personal property. Currently, the DMV does not require registration of all-terrain vehicles and off-road motorcycles, making taxation of these vehicles inconsistent and inequitable based on voluntary registration with DMV by some owners. In addition, these exemptions would create operational efficiencies for Revenue Administration. Staff is recommending that the amendment of this section be effective for taxable years beginning on and after January 1, 2018. This recommendation is to maintain equity with those who have already filed or paid 2017 taxes on these items. Consequence of this change: This proposal would decrease County revenues by approximately \$25,000.

* **Sec. 15-1101.2** - Business Tangible Personal Property separate classification - To raise from \$250 to \$500 the original cost threshold under which a taxpayer may provide an aggregate estimate of the total cost of all such business tangible personal property. This ordinance amendment is required by a 2017 amendment to *Virginia Code* § 58.1-3506(A)(46).

Purpose of this proposed change: To ensure County Code conforms with new Virginia Code requirements.

Consequence of this change: County staff expects this change to be revenue neutral.

BUDGET IMPACT: Though the budgetary impact of these proposed amendments is difficult to predict with any certainty, the following are staff’s best estimates of the impact of each proposal:

* To expand Personal Property tax exemptions to “All-terrain vehicles, and off-road motorcycles” (§ 15-1101) -- \$25,000 revenue loss.

The following change is expected to be revenue neutral:

- Business tangible personal property minimum reporting threshold (§ 15-1101.2).

RECOMMENDATION:

Following the public hearing, staff recommends that the Board adopt the attached proposed ordinance (Attachment A).

ATTACHMENTS:

A - Proposed Ordinance - Chapter 15 (Taxation)