

**Department of Planning and Budget
2003 Fiscal Impact Statement**

1. Bill Number SB809

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron Stolle

3. Committee Finance

4. Title Motor vehicle sales and use tax.

5. Summary/Purpose: This legislation proposes to amend §58.1-2403 of the Code of Virginia to provide an exemption from the motor vehicle sales and use tax for vehicles titled in the name of a deceased person and transferred to the spouse of such deceased person.

6. Fiscal Impact Estimates are: Preliminary, see Item # 8.

7. Budget amendment necessary: None.

8. Fiscal implications: The fiscal implications of this legislation are uncertain. Currently, the Commonwealth charges a 3% sales and use tax based on the vehicle's gross sales price or \$35 whichever is greater. The tax is collected at the time of titling or whenever the vehicle is sold or ownership changes.

The Department of Motor Vehicles (DMV) currently charges only the minimum \$35 fee for transferring the vehicle title of a deceased person to the spouse of that deceased person, since no actual sale takes place. Although the specific number of transactions is not available, it is projected that this legislation would have a minimum impact on sales and use tax revenue.

9. Specific agency or political subdivision affected: Department of Motor Vehicles

10. Technical amendment necessary: No.

11. Other comments: No.

Date: 01/13/03/MEM

Document: G:\Fis\03\DMV\Sb809.Doc Michael McMahan

cc: Secretary of Transportation