

## Personal Property Tax Relief Act of 1998

The Personal Property Tax Relief Act of 1998 provides tax relief for any passenger car, motorcycle, or pickup or panel truck having a registered gross weight of less than 7,501 pounds. Effective July 1, 2016, the general assembly changed the registration requirements for **personal-use trucks** with a gross weight between 7,501 and 10,000 pounds and they must be reclassified at DMV as a pickup with standard license plates and they will qualify for tax relief if not used for business purposes. **The vehicle must be owned or leased by an individual and NOT used for business purposes.** A vehicle is considered to be used for business purposes if:

- More than 50% of the mileage for the year is used as a business expense for Federal Income Tax purposes OR reimbursed by an employer;
- More than 50% of the depreciation associated with the vehicle is deducted as a business expense for Federal Income Tax;
- The cost of the vehicle is expensed pursuant to Section 179 of the Internal Revenue Service Code; or
- The vehicle is leased by an individual and the leasing company pays the tax without reimbursement from the individual.

Vehicles qualified for tax relief are noted on your tax bill and show a reduction for the portion of the tax the Commonwealth will pay. **For qualified vehicles, your tax bill is reduced by the applicable tax relief percentage for the tax year on the first \$20,000 of value.** Harrisonburg will be reimbursed by the Commonwealth for the amount of the reduction shown on your bill. If your qualifying vehicle's assessed value is \$1,000 or less, your tax has been eliminated and the Commonwealth's share is 100%. Tax relief is calculated using Harrisonburg's personal property tax rate in effect each tax year.

**You are required to certify to Harrisonburg that your vehicle remains qualified to receive car tax relief.** Therefore, it is important that you review the information sent to you by your locality to be sure that your vehicles are properly qualified. This information is included on your tax bills. **If your vehicle is improperly qualified, or you are uncertain whether your vehicle would be eligible for car tax relief because it is used part of the time for business purposes, contact us at 540-432-7704.** When you pay your taxes on qualified vehicles, you are certifying to Harrisonburg that your vehicle has been qualified correctly.

**Remember, you must still pay car taxes by December 5th each year.**