

Section 20

Transportation Authority Taxes and Fees

The 2007 General Assembly passed a major transportation bill¹ that gave two transportation authorities, the Northern Virginia Transportation Authority (NVTA) and the Hampton Roads Transportation Authority (HRTA) the power to impose certain taxes and fees within their jurisdictions. NVTA is composed of nine localities: the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun, and Prince William. HRTA is composed of twelve localities: the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg and the counties of Isle of Wight, James City, and York. Voting members of NVTA include a city council member or board of supervisors member from each jurisdiction plus one member from the Virginia Senate, two members from the House of Delegates, and two gubernatorial appointees. Voting members of HRTA are city council members or board of supervisors members from each jurisdiction. Because

neither organization has members directly elected to serve on its governing body, the assignment of taxing ability to the authorities represents a new development in Virginia local government. In the past, the only governments with taxing ability were independent cities, counties, and incorporated towns. The Virginia Supreme Court is now considering a challenge to the legality of taxing powers for the authorities. An appeal of a decision by the Circuit Court of Arlington affirming the law has been placed on the Supreme Court's docket for the January 2008 session.²

Both authorities have adopted new taxes and fees based on the enabling legislation. The new measures will be implemented January 1, 2008 by the NVTA and April 1, 2008 by the HRTA.

Table 20.1 shows the taxes and fees that are being imposed by the two authorities, the Virginia Code reference, the payee of each tax or fee, the tax or fee rate, and the date the tax or fee becomes effective.



¹ House Bill 3202 <http://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+CHAP0896> (11/7/07)

² See "VA Supreme Court Grants Writ of Appeal" and "Transcript of Judge Benjamin N.A. Kendrick's Ruling on NVTA Bond Validation Suit" <http://www.thenovaaauthority.org/> (11/7/07)

Table 20.1
Transportation Authority Taxes and Fees

Tax	Citation	Payee	Rate	Where Applicable and Effective Date
Rental car transportation fee	§ 58.1-2402.1	Renter of the vehicle	2% of daily rental rate	NVTA (1/1/08) and HRTA (4/1/08)
Sales tax on labor or services in the repair of motor vehicles	§ 58.1-605.K.1	Owner of the vehicle	5% on labor charges	NVTA (1/1/08) and HRTA (4/1/08)
Additional annual license fee associated with vehicle registration	§ 46.2-755.1.	Owner of the vehicle	\$10 annually	NVTA (1/1/08) and HRTA (4/1/08)
Additional initial registration fee when a vehicle first registered due to purchase or transfer from an area outside the authority	§ 46.2-755.2	Owner of the vehicle	1% of total vehicle value	NVTA (1/1/08) and HRTA (4/1/08)
Additional fee at time of inspection	§ 46.2-1167.1	Owner of the vehicle	\$10 annually	NVTA (1/1/08) and HRTA (4/1/08)
Transient occupancy tax	§ 58.1-3825.1	Renter of room	2% of the room rate	NVTA (1/1/08)
Congestion relief fee applied to the sale price of real property	§ 58.1-802.1	Seller of property	\$0.40/\$100 value of the deed minus any liens	NVTA (1/1/08) and HRTA (4/1/08)
Sales tax on fuel ^a	§ 58.1-1724.3	User of vehicle	2% tax on full purchase price of fuel	HRTA (4/1/08)
Commercial/ industrial use real property tax	Applied to land categorized as commercial or industrial	Owners of real property	\$0.25/\$100 (NVTA) \$0.10/\$100 (HRTA)	NVTA (1/1/08) and HRTA (4/1/08)

^a A similar tax applies in the localities in the Northern Virginia Transportation Commission (NVTC) and in the Potomac Rappahannock Transportation Commission (PRTC) which together contain all of the localities in NVTA plus the city of Fredericksburg and the county of Stafford. However, NVTC and PRTC do not impose the tax; it is imposed by member localities and remitted to NVTC and PRTC. See § 58.1-1720 <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+58.1-1720> (11/7/07)