



Department of Motor Vehicles  
Tax Services  
P.O. Box 27422  
Richmond, VA 23269-7422

# VIRGINIA RENTAL TAX INFORMATION AND NEWS 2007 Legislation

NOVEMBER 2007

During the 2007 session of the General Assembly, House Bill 3202 was passed. The bill included a 2% Authority Fee that must be charged on the gross proceeds from the rental of a daily rental vehicle in any county or city included in the Hampton Roads and Northern Virginia Authorities. The collection of the fee will be implemented for the Northern Virginia Authority on January 1, 2008 and for the Hampton Roads Authority on April 1, 2008.

## How Much Is The Fee?

This bill requires that a fee of **2%** be collected on the gross proceeds from the rental of a daily rental vehicle in the localities that are part of the Hampton Roads and Northern Virginia Authorities.

**Note:** Motorcycles and manufactured homes are not included in the definition of daily rental vehicles; therefore, the 2% authority fee does not apply to these vehicles.

## When Is It Due?

Localities within Northern Virginia Authority: The 2% authority fee is due on all rental proceeds collected on or after **January 1, 2008** for all localities within the Northern Virginia Authority.

Localities within Hampton Roads Authority: The 2% authority fee is due on all rental proceeds collected on or after **April 1, 2008** for all localities within the Hampton Roads Authority.

**Note:** Failure to include this 2% authority fee will result in an assessment.

## Will the Rental Tax Return & Schedules Change?

The **new** Motor Vehicle Rental Tax Return (RT420) and Additional Tax and Authority Fee Schedule (RT424) will be available on the DMV website [www.dmv.virginia.gov](http://www.dmv.virginia.gov) under Commercial Services/Rental Tax on or before November 5.

## What Will Be Done With The Fee?

The revenue will be transferred to the Hampton Roads and Northern Virginia Authorities as appropriate.

## Contact Information

If you have any questions regarding this information, go to [www.dmv.virginia.gov](http://www.dmv.virginia.gov) or contact a Rental Tax representative at:

(804) 367-4324

(800) 272-9268 (deaf or hearing impaired only)

(804) 367-5437 (fax)

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