

From the Department of Motor Vehicles:  
**PERSONAL PROPERTY TAX RELIEF ACT  
 COMPLIANCE GUIDELINES**

Beginning in January 2003, all vehicles that are registered in the Commonwealth of Virginia are required to have their use indicated as either personal or business on the appropriate Department of Motor Vehicle forms. The following are points that dealers need to be aware of when completing vehicle transactions and answering customers' questions.

On the **VSA-17A**, Application for Certificate of Title and Registration, and the **VSA-14**, vehicle renewal form, **the dealer must check whether the vehicle is being used for personal or business use, based on the customer's decision.**

**What is the Personal Property Tax Relief Act?**

The Personal Property Tax Relief Act of 1998 provides tax relief for passenger cars, motorcycles, and pickup or panel trucks having a registered gross weight of less than 7,501 pounds.

To qualify, a vehicle must:

- Be owned by an individual or leased by an individual under a contract requiring the individual to pay personal property tax, and
- Be used less than 50% for business purposes.

Motor homes, trailers and farm-use vehicles do **not** qualify for tax relief.

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**HOLIDAY HOURS**

In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following date:

**Monday  
 February 16, 2004**



# BOARD ACTIONS

**Dealer Practices:** After numerous unsatisfactory inspections, an informal fact-finding conference was convened for Mr. Altaf H. Shah, the owner of Sports Car Center in Manassas. After reviewing the evidence and the hearing officer's report, the Board voted to assess a \$4,000 civil penalty and suspend for 90 days all licenses issued by the Board to Mr. Shah for numerous on-going violations of record-keeping requirements; failure to post a list of salespersons as required and failing to comply with a written warning. The Board determined that the on-going problems were willful. Mr. Shah will have 33 days to appeal the decision if he so desires.

All licenses and certificates issued to Mr. Gary Nunnally, owner of Gary Nunnally Car Sales in Midlothian were suspended for 90 days and a \$1,000 civil penalty was assessed by the Board for on-going record-keeping problems, failure to post a list of salespersons as required and for failing to comply with a written warning. The Board determined that the on-going problems were willful. Mr. Nunnally will have 33 days to appeal the decision if he so desires.

An informal fact finding conference was convened for Mr. Walter B. Wilson, owner of Armistead, Inc. in Hampton as a result of unsatisfactory inspections dating back to early 1998. The inspections showed that there were on-going violations of record-keeping requirements, not maintaining posted hours, failing to timely forward documents to DMV, failing to post a list of salespersons as required and failing to comply with a written warning. The Board determined that the on-going problems were willful. Based on the hearing officer's report, all licenses and certificates issued by the Board to Mr. Wilson were revoked. Mr. Wilson appealed that decision and a formal hearing was held. At the January meeting, the Board reviewed the evidence and the hearing officer's report of the formal hearing and determined that a \$3,000 civil penalty should be levied and all of Mr. Wilson's licenses and certificates should be suspended for 90 days. Mr. Wilson can appeal this decision to the circuit court.

**Dealer Advertising:** The Board assessed a Virginia Beach Dealer civil penalties totaling \$1,000 for repeated violations of the Truth in Lending requirements and for not fully identifying the year, make and model of a motor vehicle in an advertisement that included the price of the vehicle being advertised.

## DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board  
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**NOTE:** We make every effort to ensure information in *Dealer Talk* is accurate, but it is not a substitute for legal advice.

### Calendar of Events

**All Meetings held at DMV Headquarters  
2300 W. Broad Street, Room 702  
Richmond, VA**

Monday, March 8, 2004

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, March 8, 2004

Time: Immediately following Dealer Practices  
Licensing Committee Meeting

Monday, March 8, 2004

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, March 8, 2004

Time: Immediately following Advertising  
Transaction Recovery Fund Committee Meeting

Monday, March 8, 2004

Time: 10:00 a.m.

Full Board Meeting

**NOTE:** Meetings may begin later, but not earlier than scheduled. Meeting end times are approximate.

From the Department of Motor Vehicles:  
**PERSONAL PROPERTY TAX  
RELIEF ACT  
COMPLIANCE GUIDELINES**

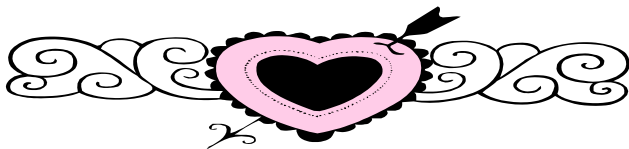
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**Does a vehicle qualify?**

If the answer is yes to any of the following questions, the vehicle is considered by state law to have a business use and does **NOT** qualify for personal property tax relief.

- Is more than 50% of the vehicle's annual mileage used as a business expense for federal income tax purposes **OR** reimbursed by employer?
- Is more than 50% of the depreciation associated with the vehicle deducted as a business expense for federal income tax?
- Is the cost of the vehicle expensed pursuant to Section 179 of the Internal Revenue Service Code?
- If the vehicle is leased by an individual, does the leasing company pay the tax without reimbursement from the individual?

**NOTE:** If the use of the vehicle has changed since the last renewal, please make sure that the change is indicated.



## NOTES

**eBay Motors:** Dealer Board chair, D.B. Smit has appointed a work group to examine eBay Motors' business plan as it relates to Virginia law. Specifically, Code Section 46.2-1537 states in part that dealers may not "... directly or indirectly, solicit the sale of a motor vehicle through a pecuniarily interested person, or to pay, or cause to be paid, any commission or compensation in any form whatsoever to any person in connection with the sale of a motor vehicle, unless the person is duly licensed as a salesperson employed by the dealer." If you subscribe to the Motor Vehicle Dealer Board's electronic notification system, you will receive a notice listing the date time and place for meetings of this work group.

**Legislation:** As of this date (February 4, 2004) there is no legislation before the General Assembly that will have a significant impact on the Dealer Board and our operations. There are a number of bills being considered that may have an impact on dealers. A comprehensive listing will be included in the next edition of Dealer Talk.

**Independent Contractors:** This is a reminder that salespersons may not be independent contractors and that it is against the law to "rent" dealer tags. If an individual(s) (Including salespersons licensed in the name of your dealership) is paying you in connection with the sale of a motor vehicle, that could be considered "renting" dealer plates and it is against the law.

## NOTES *(continued)*

**Temp Tags:** It has been brought to the attention of the Motor Vehicle Dealer Board and DMV that some dealers are abusing the privilege of being able to purchase 30-day tags. It is important that you safeguard these plates and that you take measures to prevent your employees and others from buying these plates for resale.

**Salesperson License Number:** Beginning on July 1, 2003 DMV, per legislation adopted by the 2003 General Assembly, discontinued the practice of including a driver's social security number on the face of the driver's license. Beginning on that date, drivers are to be assigned a "T" number. This includes anyone renewing their drivers' license after July 1, 2003. Prior to July 1, 2003, showing a "T" number rather than the social security number was at the customer's option.

If you check your salesperson's license, you will see a four digit "Customer Number". Prior to July 1, 2003, the customer number was the last four digits of your social security number. Sometimes a fifth number was added in the event someone else had the same last four digits in their social security number.

Beginning on July 1, 2003, all **new** salesperson licenses include the "T" number in the "Customer Number" area of the license.



## Did You Know . . .

That, for 2003, the staff of the Motor Vehicle Dealer Board consistently process over 99% of all "clean" (No Criminal History Reported) applications for a salesperson's license within 5 business days of receiving the application?

In 2003, Dealer Board staff responded to 97% of all emails received through our WEB site within three business days of receiving the email?

In 2003, the salesperson's test was taken 6,917 times at DMV Customer Service Centers. That's 576 tests administered and taken each month! The "pass" rate was 84 percent.

The dealer-operator test was taken 614 times in 2003 with a 77 percent "pass" rate?

## Rate MVDB Services...Online!

The MVDB takes pleasure in announcing it's new online dealer survey! Although the survey was initially focused toward "new" motor vehicle dealers, we invite **all** motor vehicle dealers to provide us with feedback regarding the services we provide!

So...let us know how we're doing! It's quick and easy! Simply go to our website at [www.mvdb.vipnet.org/home.html](http://www.mvdb.vipnet.org/home.html) and click on the *New Dealer Survey* button. Fill out the survey--add comments if you'd like--and click submit. You're done!

Or, you can just click on the link below:

**New Dealer Survey**  
[http://mvdb.dreamkey.com/mvdb29\\_2002-09.asp](http://mvdb.dreamkey.com/mvdb29_2002-09.asp)