

## Personal Property Tax Relief (PPTRA)

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. 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. 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 Wise County's effective tax rate in effect on August 1, 1997.

You are required to certify annually to Wise County that your vehicle remains qualified to receive car tax relief. Therefore, it is important that you review the information sent to you by Wise County to be sure that your vehicles are properly qualified. This information may be included on items such as personal property tax returns, decal applications or 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 Wise County at (276) 328-3556. When you display your Wise County decal and pay your taxes on qualified vehicles, you are certifying to Wise County that your vehicle has been qualified correctly.