

SUBJECT: Personal Property Tax on Vehicles Owned by Military Families in Virginia

1. Purpose: To outline the personal property tax issues on motor vehicles owned or leased by active duty military families in Virginia.
2. Virginia requires its residents to pay a tax on certain personal property in the state, and motor vehicles that are owned or leased by residents are subject to this tax. In many cases, active duty military families temporarily living in the state are not required to pay this tax. Whether a military family serving in Virginia is required to pay the tax largely depends on how the car is titled, and whether the either the servicemember or the spouse is a resident of Virginia. In general, vehicles that are owned by military members and/or spouses who are not residents of Virginia are not subject to the personal property tax. However, if the vehicle is titled in the name of an owner (military member or spouse) who is a resident of Virginia, then the tax would apply to the vehicle. In explaining the personal property tax, the Virginia Department of Taxation states:

“Motor vehicles and other tangible personal property owned by the spouse of a service member will be protected from Virginia taxation to the same extent as if owned by the service member. The protection applies whether titled or leased in the name of the service member, the spouse, or both as long as both are domiciled in a state other than Virginia. The protection will not apply if someone other than the service member and/or spouse is an owner or lessor of the property.” Tax Bulletin 10-1 of 29 Jan 2010.

3. Residency represents the state that is your permanent legal home. Residency in a state can subject your income to its taxation, require you to serve jury duty, and also confers certain privileges, such as the right to use the courts of the state, obtain a drivers' license, vote in that state, and can have other legal implications. Active duty military members do not automatically become residents of the states in which they are stationed. Residency is often determined by physical presence in the state with an intention to permanently remain there, but is also evidenced by: voter registration; property ownership; payment of state taxes; motor vehicle registration; and drivers' license issuance. Military spouses who are away from their states of residence due to military orders, do not gain or lose residency because of the military members' service (in different states), provided that the spouse has the same state of residence as the active duty servicemember.
4. Please visit your Fort Belvoir legal assistance office with any questions regarding these important issues.

Chris Rydelek
Legal Assistance Attorney
(703) 805-2856
Approved by COL Lawson, SJA