



TAX BULLETIN 08-3
Virginia Department of Taxation
February 29, 2008

IMPORTANT INFORMATION REGARDING
THE TAX ON MOTOR VEHICLE REPAIR LABOR
AND SERVICES IN THE NORTHERN VIRGINIA
TRANSPORTATION AUTHORITY

On February 29, 2008, the Virginia Supreme Court ruled that the provisions in House Bill 3202 (*Acts of Assembly 2007, Chapter 896*) that permitted the Northern Virginia Transportation Authority to impose regional taxes and fees violated the Constitution of Virginia and are invalid. The Virginia Supreme Court held that the taxes and fees that the Northern Virginia Transportation Authority has already imposed are therefore null and void.

The Department of Taxation ("TAX") is responsible for the administration and collection of the Motor Vehicle Repair Labor and Services Sales and Use Tax ("Repair Tax") imposed by the Northern Virginia Transportation Authority. **All providers of repair services should stop collecting the Repair Tax effective immediately.**

The Motor Vehicle Fuel Sales Tax imposed in the Northern Virginia Transportation District and in the member localities of the Potomac and Rappahannock Transportation Commission is not affected by this ruling. The Virginia Retail Sales and Use Tax is also not affected by this ruling.

Please frequently check TAX's website, www.tax.virginia.gov, for updated information as more guidance regarding this matter becomes available.

If you have any questions please contact TAX at (804) 367-8037.