



March 3, 2008

## CESSATION OF TAXES AND FEES

On February 29, the (Virginia) Supreme Court ruled that the General Assembly did not have a constitutional basis to delegate taxation authority to the Northern Virginia Transportation Authority (NVTA). The action of the General Assembly (in this regard) was declared “null and void”. Subsequently, the (Virginia) Commissioner of Motor Vehicles and the Commissioner of Taxation were instructed to discontinue collecting taxes and fees for which they are responsible. **This notice extends the cessation of taxes and fees to all other categories that are administered by local authorities in Northern Virginia.** The net effect is that the following Northern Virginia special taxes and fees will not be collected, effective immediately:

- Congestion Relief Fee (Grantor’s Tax)
- Motor Vehicle Rental Tax
- Transient Occupancy Tax
- Safety Inspection Fee
- Sales and Use Tax on Auto Repairs
- Regional Registration Fee
- Initial Vehicle Registration Fee

The Northern Virginia Transportation Authority is developing a refund plan for the taxes and fees that have been paid to date. This is very complex, involving state and local authorities as well as various business entities. As soon as this plan is adopted by NVTA, it will be posted to this web site. In the meanwhile, potential applicants for refund should retain evidence of payment as it may be required as proof of payment.