

# HAMPTON VA

FAQ  
MAY 10, 2017

## Why is Hampton looking at taxing RVs?

Taxes on recreational vehicles were abolished in what was considered a parity measure when the city stopped taxing boats. Now that there's an annual fee on boats, the idea resurfaced.

All the surrounding localities charge an RV tax. Eighty-six percent of Hampton residents who participated in the budget input supported an RV tax. Not surprisingly, some owners of RVs are opposed.

The tax – at \$1.50 per \$100 of value – would begin with tax bills due in June 2018. Here's what the annual median tax bill would be:

- Camper trailer: \$6
- Travel trailer: \$78
- Motor home: \$229

Boat owners pay a registration fee that ranges from \$20 to \$150 per year, plus additional fees and taxes if they transport their boat on a trailer.

The proposed tax would raise an estimated \$135,000 for FY18.

### FAQ

#### **Q: What are the rates in other localities?**

A: Newport News charges \$1.00 (all rates are per hundred dollar of value)  
Norfolk, Poquoson, Portsmouth, Suffolk and Virginia Beach charge \$1.50  
Chesapeake charges \$1.58  
Williamsburg charges \$3.50  
James City and York counties charge \$4.00

#### **Q: Why \$1.50?**

A: It's the prevailing rate in the region. When the city asked for residents' input, 14% said no RV tax, 29% supported \$1 per hundred as a rate, and 57% wanted it at \$1.50 or more.

#### **Q: What is the tax rate for a boat trailer?**

A: Boat trailers are taxed at the personal property, or car tax, rate of \$4.50 per hundred dollars of value.

#### **Q: I keep hearing of some people who would pay a lot more.**

A: A few people who own expensive motor homes would. The Commissioner of the Revenue's office estimates that:

- 70% of RV owners would pay less than \$200
- 15% would pay less than \$400
- 6% would pay less than \$600
- 3% would pay less than \$800
- 2% would pay less than \$1,000
- 1% would pay less than \$1,200
- 1% would pay less than \$1,400
- 2% would pay \$1,4001 or higher

**Q: Do other localities treat/tax boats and RVs the same?**

A: Williamsburg, Newport News and Suffolk treat them similarly, with rates ranging from \$1.00 to \$3.50 per \$100 value. Norfolk, Poquoson, Chesapeake and James City County have lower rates for boats than RVs. Poquoson, Virginia Beach and York County effectively have no boat tax but tax RVs.

**Q: What is the reason for lower boat tax?**

A: In Hampton's case, a 2009 study performed by William & Mary's Virginia Institute of Marine Science shows that Hampton gets significant revenue from boaters in other ways, with non-resident boaters spending \$26 million in 2007 and generated 475 jobs. Resident and non-resident boaters added \$55 million to the city's economy, for 698 jobs. That number grew steadily during the time there was no boat tax.

In contrast, the Commissioner of the Revenue said it was difficult to estimate the economic impact of RVs, but business license revenue is only about \$1,500. The assumption is that local residents who own RVs take the out of the area, making their economic impact and spending elsewhere. Resident and non-resident boaters frequently do much of their spending in Hampton – such as spending \$7 million in fuel alone in 2007. RV owners who spend the summer in an RV park, such as the one at Fort Monroe, are not subject to the tax, unless they live in Hampton for more than half of the year.

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