

DEPARTMENT OF TAXATION

2001 Fiscal Impact Statement

1. **Patron** Parrish

3. **Committee** Senate Finance

4. **Title** Retail Sales and Use Tax: Extend Sunset
Dates for Various Nonprofit Organization
Exemptions

2. **Bill Number** HB 2004

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 x **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend certain retail sales and use tax exemptions for nonprofit organizations in the educational (§ 58.1-609.4), medical-related (§ 58.1-609.7), nonprofit civic and community service (§ 58.1-609.8), nonprofit cultural (§ 58.1-609.9), and miscellaneous (§ 58.1-609.10) groupings. The exemptions are scheduled to expire June 30, 2001.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** None. (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

There will be no revenue impact associated with extending these exemptions. The bill does not necessitate a budget amendment as the official estimates assume the extension of all expiring exemptions.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. **Technical amendment necessary:** None.

11. Other comments:

This bill would extend sunset dates for 24 educational exemptions to June 30, 2002. This bill would extend sunset dates for 25 medical-related exemptions to June 30, 2003. This bill would extend sunset dates for 154 civic and community service exemptions. The first half of the civic and community service exemptions would be extended to June 30, 2004, and the remaining half would be extended to June 30, 2005. This bill would extend sunset dates for 45 cultural exemptions and 12 miscellaneous exemptions to June 30, 2006.

The sunset dates are consistent with the schedule for reviewing sales tax exemptions established under Code of Virginia § 30-19.05.

Senate Bill 1409 would extend the sunset dates of certain retail sales and use tax exemptions, similar to this bill. It would also establish a refund procedure for certain nonprofit organizations that are currently exempt from the retail sales and use tax.

cc: Secretary of Finance

Date: 2/7/01/LFO

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