

DEPARTMENT OF TAXATION

2001 Fiscal Impact Statement

1. **Patron** Reid

3. **Committee** House Finance

4. **Title** Retail Sales and Use Tax: Extends the Sunset
Date for a Nonprofit Organization

2. **Bill Number** HB 2509

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend to June 30, 2002, the sunset date for the retail sales and use tax exemption for the Parent Teacher Associations or other groups associated with nonprofit elementary or secondary schools. The exemption extends to purchases and sales of tangible personal property in connection with fund-raising activities. Sales are exempt only if the net proceeds are used to the purchase certified school equipment or are contributed directly to the school.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: (See Line 8)

7. Budget amendment necessary: No.

8. Fiscal implications:

There will be no revenue impact associated with extending this exemption. 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.

10. Other comments:

This bill would extend the sunset date for the retail sales and use tax exemption for Parent Teacher Associations or other groups associated with nonprofit elementary or secondary schools to June 30, 2002. The exemption was enacted in 1986.

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

cc: Secretary of Finance

Date: 1/23/01/LFO

Document: S:\WorkInProgress\OTPwork\House\HB2509F161