

DEPARTMENT OF TAXATION

2001 Fiscal Impact Statement

1. **Patron** Norment

3. **Committee** House Finance

4. **Title** Retail Sales and Use Tax: Extends the Sunset Date of the Exemption for Tangible Personal Property Used in Spaceport Activities

2. **Bill Number** SB 976

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would extend from June 30, 2001 to June 30, 2011, the sunset date of the sales and use tax exemption for the sale, lease, use, storage, consumption or distribution of tangible personal property used to conduct spaceport activities.

6. **Fiscal Impact Estimates are:** None. See line 8.

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

8. **Fiscal implications:**

There would be no revenue impact associated with this legislation. The official budget estimates assume the extension of sales and use tax exemptions.

9. **Specific agency or political subdivisions affected:**

Department of Taxation

10. **Technical amendment necessary:** No.

11. **Other comments:**

This exemption was enacted by the 1997 General Assembly. The exemption applies to the sale, lease, use, storage, consumption, or distribution of various types of tangible personal property used in "spaceport activities." "Spaceport activities" is defined in Code of Virginia § 58.1-609.3(13) as "activities directed or sponsored at a facility owned, leased, or operated by or on behalf of the Virginia Commercial Space Flight Authority."

Items such as orbital or suborbital space facilities, space propulsion systems, space vehicles, satellites, space stations, including any property contained in the foregoing

items, and fuel are included in this exemption. The exemption also includes machinery and equipment used exclusively for spaceport activities and the sale of goods and services provided to operate and maintain launch facilities, launch equipment, payload processing facilities and payload processing equipment when these items are used to conduct spaceport activities.

Similar Legislation

HB 2414 would extend the sunset date for this exemption to July 1, 2005. It would also redefine "spaceport activities" for clauses (i), (ii) and (iii) of the exemption by removing the reference to the Virginia Commercial Space Flight Authority.

cc: Secretary of Finance

Date: 2/5/01/GRM

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