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HOUSE BILL NO. 1268

Offered January 18, 2002

A BILL to amend and reenact § 58.1-609.4 of the Code of Virginia, relating to educational sales and use tax exemptions.

Patrons—Parrish; Senator: Colgan

Referred to Committee on Finance**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-609.4 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-609.4. Educational exemptions.

The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to the following:

1. School lunches sold and served to pupils and employees of schools and subsidized by government; school textbooks sold by a local board or authorized agency thereof; and school textbooks sold for use by students attending a nonprofit college or other institution of learning, when sold (i) by such institution of learning or (ii) by any other dealer, when such textbooks have been certified by a department or instructor of such institution of learning as required textbooks for students attending courses at such institution.

2. (i) Tangible personal property for use or consumption by a college or other institution of learning, including food purchased for free distribution at the facilities of the college or other institution of learning, and (ii) tangible personal property for use or consumption by, sold by, or donated to a noncommercial educational telecommunications entity, said exemption to apply to each transaction in the chain of commerce from manufacture to final disposition, provided that such college, institution of learning, or telecommunications entity is nonprofit.

3. Ending June 30, 2001, tangible personal property purchased by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing education, training and services to retarded citizens of the Commonwealth, provided that such property is used exclusively for the purpose set forth herein and that such organization receives more than fifty percent of its total funding from federal, state, or local governments.

4. Ending July 1, 20022007, tangible personal property and services purchased by an educational institution doing business in the Commonwealth which (i) admits regularly enrolled high school and college students and (ii) provides a face-to-face educational experience in American government, a program which leads towards the successful completion of United States history, civics, and problems in democracy courses in high school, or which is acceptable for full credit towards an undergraduate or graduate level college degree, provided such institution is nonprofit.

5. Ending June 30, 2001, books and other reading materials for use by nonprofit organizations organized solely to distribute such books and reading materials to school-age children.

6. Ending June 30, 2001, tangible personal property purchased for use by a nonprofit, nonstock corporation which receives no financial aid from the Commonwealth or the federal government and is organized exclusively for the purpose of operating, at no charge to the pupils, a combination boarding and day school for the severely physically handicapped children and young adults of the Commonwealth.

7. Ending July 1, 20022007, tangible personal property sold or leased to a foundation which exclusively provides either training and education of any type or duration for employees of governmental law-enforcement and corrections agencies or education of the public in citizen cooperation with public authorities in crime prevention and solution, provided such foundation is nonprofit.

8. Ending July 1, 20022007, tangible personal property purchased for use, consumption, or sale at retail by a nonprofit elementary or secondary school, or Parent Teacher Association or other group associated with a nonprofit elementary or secondary school for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, "certified school equipment" means equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept as a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner. Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which a nonprofit elementary or secondary school

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59 receives a commission or the net proceeds after the payment of vendors and other direct expenses.

60 9. a. From July 1, 1989, through June 30, 2001, tangible personal property purchased for use or
61 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
62 and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that
63 hires only certified public school teachers and which has a regularly prescribed curriculum.

64 b. From July 1, 1990, through June 30, 2001, tangible personal property purchased for use or
65 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
66 and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that
67 hires only certified public school teachers or teachers who are college graduates holding a degree from
68 an accredited four-year institution of higher education and certified by an organization recognized by the
69 U.S. Department of Education or by some other nationally recognized organization, and which has a
70 regularly prescribed curriculum.

71 10. Beginning July 1, 1989, and ending July 1, 20022007, personal property purchased for use or
72 consumption by a private, nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
73 Revenue Code, which operates a county public library, and such library is also used as a recreational
74 center for county residents.

75 11. Beginning July 1, 1989, and ending July 1, 20022007, tangible personal property purchased for
76 use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue
77 Code and organized primarily for the purpose of operating a public library.

78 12. Beginning July 1, 1990, and ending July 1, 20022007, tangible personal property and services
79 purchased for use by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue
80 Code, which is organized and operated primarily for the purpose of encouraging participation in the free
81 enterprise system through information programs directed to secondary schools and college students,
82 college scholarship programs, and recognition of achievement in the American free enterprise system.

83 13. Beginning July 1, 1990, and ending July 1, 20022007, tangible personal property purchased for
84 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
85 Revenue Code and organized primarily for the purpose of operating an arts center which offers and
86 sponsors a year-round schedule of art education classes for adults and children, a continuous series of
87 exhibits focusing on twentieth century art, and a wide range of seminars for the public at no or a
88 nominal charge.

89 14. Beginning July 1, 1991, and ending July 1, 20022007, tangible personal property purchased for
90 use or consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c)
91 (3) of the Internal Revenue Code and which is organized and operated exclusively for the purpose of
92 enhancing education by assisting a city public library with its physical and service needs.

93 15. Beginning July 1, 1991, and ending July 1, 20022007, tangible personal property purchased for
94 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
95 Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by
96 increasing community awareness of the illiteracy problem.

97 16. Beginning July 1, 1995, and ending July 1, 20022007, tangible personal property purchased for
98 use or consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c)
99 (3) of the Internal Revenue Code and which is organized exclusively for the purpose of raising funds for
100 grant aid to any state, county or municipal library open to the public within the boundaries of the Eighth
101 Planning District established pursuant to § 15.2-4203.

102 17. Beginning July 1, 1995, and ending July 1, 20022007, tangible personal property purchased for
103 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
104 Revenue Code and organized to provide educational and recreational services for at-risk youth and
105 which maintains a partnership with a magnet school within the boundaries of the Twenty-third Planning
106 District established pursuant to § 15.2-4203.

107 18. Beginning July 1, 1995, and ending July 1, 20022007, tangible personal property purchased for
108 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
109 Revenue Code and organized to provide specialized information and referral services, education
110 programs and advocacy on behalf of deaf and hard-of-hearing persons within the boundaries of the
111 Eighth Planning District established pursuant to § 15.2-4203.

112 19. Beginning July 1, 1995, and ending July 1, 20022007, tangible personal property purchased for
113 use or consumption by a nonprofit research, educational, and communications organization exempt from
114 taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote
115 highway safety.

116 20. Beginning July 1, 1996, and ending July 1, 20022007, tangible personal property purchased for
117 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
118 Revenue Code and organized as a consortium of not less than forty private, historically black colleges
119 and universities for the purposes of raising funds, providing program services, and offering technical
120 services to support its member colleges and universities and their students.

121 21. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
122 use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue
123 Code and organized and operated (i) to conduct and publish educational research for public school
124 improvement, reform, and teacher education and (ii) to disseminate such research in the community to
125 encourage residents to take an interest in the teaching and learning activities of local schools.

126 22. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
127 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
128 Revenue Code which designs, equips and operates educational telecommunications networks and
129 classrooms serving schools and colleges within the Commonwealth and whose activities include
130 purchasing audio-visual equipment, contracting for transmission services and training teachers.

131 23. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
132 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
133 Revenue Code which is organized for the exclusive purpose of supporting reading education programs
134 for all Virginia citizens, accomplished through local councils, special interest councils, teacher-training
135 programs and annual conventions where ideas, techniques and methods are shared by educator members
136 who will use the acquired knowledge in direct reading education.

137 24. Beginning July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
138 consumption by a nonprofit scientific, educational, and charitable organization exempt from taxation
139 under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of
140 emphasizing scientific investigation and holding an annual science fair for students within the boundaries
141 of the Tenth Planning District established pursuant to § 15.2-4203.

142 25. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
143 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
144 Revenue Code and organized to provide residential treatment and educational services to abused children
145 and their families and to operate a Head Start program.

146 26. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
147 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
148 Revenue Code and organized to educate the public about animal agriculture and its importance to the
149 quality of life of citizens, and to support research and education to continuously improve animal
150 agriculture production practices.

151 27. Beginning July 1, 1997, and ending July 1, ~~2002~~2007, tangible personal property purchased for
152 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
153 Revenue Code and organized exclusively to promote and advance the interests of vocational-technical
154 education in the public schools.

155 28. From July 1, 1998, through June 30, 2001, tangible personal property purchased for use or
156 consumption by a nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
157 Revenue Code and organized exclusively to operate a school which provides an ecumenical Christian
158 education for students in grades seven through twelve and to develop Christian study programs and to
159 train teachers for excellence in education.

160 29. Beginning July 1, 1998, and ending July 1, ~~2002~~2007, tangible personal property purchased for
161 use or consumption by a nonprofit corporation located in the Tidewater region, exempt from taxation
162 under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to nurture pre-school
163 children of parents pursuing self-sufficiency, by providing an affordable, quality education program.

164 30. From July 1, 1998, through June 30, 2001, tangible personal property purchased for use or
165 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
166 Revenue Code and organized for the purposes of (i) developing a pool of data processing professionals
167 who will share their knowledge and business expertise with members of the organization and other
168 members of the community who are evaluating information technology for ongoing endeavors, (ii)
169 sponsoring high school computer competitions, community computer training camps, and free data
170 processing workshops and classes, and (iii) providing college scholarships to computer competition team
171 members.

172 31. Beginning July 1, 2000, and ending July 1, ~~2002~~2007, tangible personal property purchased for
173 use or consumption by a nonprofit corporation located within the boundaries of the Eighth Planning
174 District established pursuant to § 15.2-4203, exempt from taxation under § 501 (c) (3) of the Internal
175 Revenue Code and organized to design and deliver educational programs for (i) older persons by older
176 persons, including disabled, low-income and minority individuals, for the purpose of keeping older
177 persons up-to-date in technology, psychology and health maintenance and (ii) the purpose of exploring
178 human values, the philosophical underpinnings of community service, and the ultimate meaning of life.

179 32. Beginning July 1, 2000, and ending July 1, ~~2002~~2007, tangible personal property purchased for
180 use or consumption by a nonprofit corporation in Central Virginia, located within the boundaries of the
181 Eleventh Planning District established pursuant to § 15.2-4203, exempt from taxation under § 501 (c) (3)

182 of the Internal Revenue Code and organized to coordinate professionals, expertise, curricular materials,
183 funds and school personnel to (i) create educational programs that raise community awareness regarding
184 watershed health, (ii) collect data about the watershed so as to help further soil, water and habitat
185 conservation in the community, and (iii) design replicable project models that can be of use to rural
186 Virginia's schools and communities, all through hands-on learning experiences.

187 33. Beginning July 1, 2000, and ending July 1, ~~2002~~2007, tangible personal property purchased for
188 use or consumption by a nonprofit organization located within the boundaries of the Fifteenth Planning
189 District established pursuant to § 15.2-4203, exempt from taxation pursuant to § 501 (c) (3) of the
190 Internal Revenue Code and organized for the purpose of providing opportunities for international
191 educational exchange for foreign high school students to visit Virginia, and for Virginia high school
192 students to visit foreign countries.

193 34. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
194 use or consumption by a nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
195 Revenue Code and organized exclusively to support the mission and purposes of a community college in
196 the Commonwealth by raising funds for student scholarships and college programs.

197 35. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
198 use or consumption by a nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
199 Revenue Code and organized exclusively to provide an alternative traditional, experiential educational
200 program as well as GED preparation and testing for juvenile offenders who meet either the criteria for
201 commitment in the Department of Juvenile Justice System or Child in Need of Service/Supervision
202 petitions and probation.

203 36. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
204 use or consumption by a nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
205 Revenue Code and organized exclusively to provide evaluation, education, training, and employment of
206 handicapped persons.

207 37. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
208 use or consumption by a nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal
209 Revenue Code and organized exclusively to (i) foster, promote and engage in aerospace education, (ii)
210 coordinate the preparation and execution of an annual fly-in exposition, (iii) provide a forum for the
211 exchange of aviation educational information, and (iv) make distributions to other nonprofit
212 organizations for use in aerospace education.

213 38. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
214 use or consumption by a nonprofit organization exempt from taxation pursuant to § 501 (c) (3) of the
215 Internal Revenue Code and organized for the purpose of serving as the administrative, financial, and
216 fiscal agent for an institution of higher education in the Commonwealth of Virginia in research and
217 sponsored program administration.

218 39. Beginning July 1, 2001, and ending July 1, ~~2002~~2007, tangible personal property purchased for
219 use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
220 Revenue Code and organized to provide a stable educational system beginning in infancy and continuing
221 through the eighth grade emphasizing traditional values and traditional education.