

039087476

SENATE BILL NO. 742

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on January 29, 2003)

(Patron Prior to Substitute—Senator Miller, K. G.)

A BILL to amend and reenact §§ 58.1-609.4, 58.1-609.6, and 58.1-609.7 of the Code of Virginia, relating to sales and use tax exemptions.

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-609.4, 58.1-609.6, and 58.1-609.7 of the Code of Virginia are 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, which are subsidized by government, sold and served to pupils and employees of schools; 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. Ending July 1, 2003 2004, (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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, tangible personal property purchased for

use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized and operated (i) to conduct and publish educational research for public school improvement, reform, and teacher education and (ii) to disseminate such research in the community to encourage residents to take an interest in the teaching and learning activities of local schools.

22. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code which designs, equips and operates educational telecommunications networks and classrooms serving schools and colleges within the Commonwealth and whose activities include purchasing audio-visual equipment, contracting for transmission services and training teachers.

23. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code which is organized for the exclusive purpose of supporting reading education programs for all Virginia citizens, accomplished through local councils, special interest councils, teacher-training programs and annual conventions where ideas, techniques and methods are shared by educator members who will use the acquired knowledge in direct reading education.

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

25. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to provide residential treatment and educational services to abused children and their families and to operate a Head Start program.

26. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to educate the public about animal agriculture and its importance to the quality of life of citizens, and to support research and education to continuously improve animal agriculture production practices.

27. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote and advance the interests of vocational-technical education in the public schools.

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

29. Beginning July 1, 1998, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit corporation located in the Tidewater region, exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to nurture pre-school children of parents pursuing self-sufficiency, by providing an affordable, quality education program.

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

31. Beginning July 1, 2000, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit corporation located within the boundaries of the Eighth Planning District established pursuant to § 15.2-4203, exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to design and deliver educational programs for (i) older persons by older persons, including disabled, low-income and minority individuals, for the purpose of keeping older persons up-to-date in technology, psychology and health maintenance and (ii) the purpose of exploring human values, the philosophical underpinnings of community service, and the ultimate meaning of life.

32. Beginning July 1, 2000, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit corporation in Central Virginia, located within the boundaries of the Eleventh Planning District established pursuant to § 15.2-4203, exempt from taxation under § 501 (c) (3) 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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, 2003 2004, 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.

222 § 58.1-609.6. Media-related exemptions.

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

225 1. Leasing, renting or licensing of copyright audio or video tapes, and films for public exhibition at
226 motion picture theaters or by licensed radio and television stations.

227 2. Broadcasting equipment and parts and accessories thereto and towers used or to be used by
228 commercial radio and television companies, wired or land based wireless cable television systems,
229 common carriers or video programmers using an open video system or other video platform provided by
230 telephone common carriers, or concerns which are under the regulation and supervision of the Federal
231 Communications Commission and amplification, transmission and distribution equipment used or to be
232 used by wired or land based wireless cable television systems, or open video systems or other video
233 systems provided by telephone common carriers.

234 3. Any publication issued daily, or regularly at average intervals not exceeding three months, and
235 advertising supplements and any other printed matter ultimately distributed with or as part of such
236 publications; however, newsstand sales of the same are taxable. As used in this subdivision, the term
237 "newsstand sales" shall not include sales of back copies of publications by the publisher or his agent.

238 4. Catalogs, letters, brochures, reports, and similar printed materials, except administrative supplies,
239 the envelopes, containers and labels used for packaging and mailing same, and paper furnished to a
240 printer for fabrication into such printed materials, when stored for twelve months or less in the
241 Commonwealth and distributed for use without the Commonwealth. As used in this subdivision,
242 "administrative supplies" includes, but is not limited to, letterhead, envelopes, and other stationery; and
243 invoices, billing forms, payroll forms, price lists, time cards, computer cards, and similar supplies.
244 Notwithstanding the provisions of subdivision 5 of this section or the definition of "advertising"

contained in § 58.1-602, (i) any advertising business located outside the Commonwealth which purchases printing from a printer within the Commonwealth shall not be deemed the user or consumer of the printed materials when such purchases would have been exempt under this subdivision, and (ii) from July 1, 1995, through June 30, 2002, *and beginning July 1, 2003, and ending July 1, 2004*, any advertising business which purchases printing from a printer within the Commonwealth shall not be deemed the user or consumer of the printed materials when such purchases would have been exempt under subdivision 3 or this subdivision, provided that the advertising agency shall certify to the Tax Commissioner, upon request, that such printed material was distributed outside the Commonwealth and such certification shall be retained as a part of the transaction record and shall be subject to further review by the Tax Commissioner.

5. Advertising as defined in § 58.1-602.

6. Beginning July 1, 1995, and ending July 1, 2004:

a. (i) The lease, rental, license, sale, other transfer, or use of any audio or video tape, film or other audiovisual work where the transferee or user acquires or has acquired the work for the purpose of licensing, distributing, broadcasting, commercially exhibiting or reproducing the work or using or incorporating the work into another such work; (ii) the provision of production services or fabrication in connection with the production of any portion of such audiovisual work, including, but not limited to, scriptwriting, photography, sound, musical composition, special effects, animation, adaptation, dubbing, mixing, editing, cutting and provision of production facilities or equipment; or (iii) the transfer or use of tangible personal property, including, but not limited to, scripts, musical scores, storyboards, artwork, film, tapes and other media, incident to the performance of such services or fabrication; however, audiovisual works and incidental tangible personal property described in clauses (i) and (iii) of this subdivision shall be subject to tax as otherwise provided in this chapter to the extent of the value of their tangible components prior to their use in the production of any audiovisual work and prior to their enhancement by any production service; and

b. Equipment and parts and accessories thereto used or to be used in the production of such audiovisual works.

7. From July 1, 1998, and ending July 1, 2004, textbooks and other educational materials withdrawn from inventory at book-publishing distribution facilities for free distribution to professors and other individuals who have an educational focus.

§ 58.1-609.7. Medical-related 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. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses, eyeglass cases and contact lens storage containers when distributed free of charge, all solutions or sterilization kits or other devices applicable to the wearing or maintenance of contact lenses or eyeglasses when distributed free of charge, and hearing aids dispensed by or sold on prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, hearing aid dealers and fitters, nurse practitioners, physician assistants, and veterinarians; controlled drugs purchased for use by a licensed physician, optometrist, licensed nurse practitioner, or licensed physician assistant in his professional practice, regardless of whether such practice is organized as a sole proprietorship, partnership or professional corporation, or any other type of corporation in which the shareholders and operators are all licensed physicians, optometrists, licensed nurse practitioners, or licensed physician assistants engaged in the practice of medicine, optometry, or nursing, but excluding nursing homes, clinics, and similar corporations not otherwise exempt under this section; medicines and drugs purchased for use or consumption by a licensed hospital; and samples of prescription drugs and medicines and their packaging distributed free of charge to authorized recipients in accordance with the Federal Food, Drug and Cosmetic Act (21 U.S.C.A. § 301 et seq., as amended). Any veterinarian dispensing or selling medicines or drugs on prescription shall be deemed to be the user or consumer of all such medicines and drugs.

2. Wheelchairs and parts therefor, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, other durable medical equipment and devices, and related parts and supplies specifically designed for those products; and insulin and insulin syringes, and equipment, devices or chemical reagents which may be used by a diabetic to test or monitor blood or urine, when such items or parts are purchased by or on behalf of an individual for use by such individual. Durable medical equipment is equipment which (i) can withstand repeated use, (ii) is primarily and customarily used to serve a medical purpose, (iii) generally is not useful to a person in the absence of illness or injury, and (iv) is appropriate for use in the home.

3. Drugs and supplies used in hemodialysis and peritoneal dialysis.

4. a. Ending July 1, ~~2003~~ 2004, tangible personal property for use or consumption by a nonprofit hospital or a nonprofit licensed nursing home.

b. Beginning July 1, 2001, and ending July 1, 2003 2004, tangible personal property for use or consumption by a nonprofit hospice. For purposes of this subdivision, "hospice" shall mean an establishment caring for the needs of terminally ill patients.

5. Ending July 1, 2003 2004, tangible personal property for use or consumption by community health centers exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established for the purpose of providing health care services for areas of the Commonwealth containing a medically underserved population as defined by 42 U.S.C. § 254 c (b) (3).

6. Special equipment installed on a motor vehicle when purchased by a handicapped person to enable such person to operate the motor vehicle.

7. Ending July 1, 2003 2004, tangible nonmedical personal property purchased by a nonprofit organization organized exclusively for the purpose of providing housing and ancillary assistance for individuals suffering from leukemia or oncological diseases, for other ill individuals, and for the families of such individuals during periods of medical treatment of such individuals at any hospital in the Commonwealth.

8. Ending July 1, 2003 2004, tangible personal property purchased by a voluntary health organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing direct therapeutic and rehabilitative services, such as speech therapy, physical therapy, and camping and recreational activities, to the children and adults of this Commonwealth regardless of the nature of their disease or socioeconomic position.

9. Special typewriters and computers and related parts and supplies specifically designed for those products used by handicapped persons to communicate when such equipment is prescribed by a licensed physician.

10. Ending July 1, 2003 2004, tangible personal property purchased for use or consumption by health maintenance organizations licensed under Chapter 43 (§ 38.2-4300 et seq.) of Title 38.2 which are exempt from taxation under § 501 (c) (3) of the Internal Revenue Code.

11. Ending July 1, 2003 2004, tangible personal property for use or consumption by a nonprofit, nonstock corporation which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized under the laws of the Commonwealth exclusively for the purpose of conducting a clinic furnishing free health care services by licensed physicians and dentists.

12. Ending July 1, 2003 2004, tangible personal property purchased for use or consumption by any nonprofit hospital, cooperative or nonprofit hospital corporation organized and operated for the sole purpose of providing services exclusively to nonprofit hospitals. This exemption shall not apply to any nonprofit hospital, cooperative or nonprofit hospital corporation providing services of any kind or to any extent to other than nonprofit hospitals.

13. From July 1, 1989, through June 30, 2001, tangible personal property purchased for use or consumption by a nonprofit high blood pressure center which is used exclusively to provide medical assistance to indigent persons diagnosed with hypertension.

14. Beginning July 1, 1989, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a tissue bank exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established for purposes of procuring, preserving, processing, allocating or distributing bones, organs, blood, skin and other human tissue to licensed physicians for clinical use.

15. a. Beginning July 1, 1998, (i) any nonprescription drugs and proprietary medicines purchased for the cure, mitigation, treatment, or prevention of disease in human beings and (ii) any samples of nonprescription drugs and proprietary medicines distributed free of charge by the manufacturer, including packaging materials and constituent elements and ingredients.

b. The terms "nonprescription drugs" and "proprietary medicines" shall be defined pursuant to regulations promulgated by the Department of Taxation. The exemption authorized in this subdivision shall not apply to cosmetics.

16. Beginning July 1, 1994, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption or sold by a volunteer medical services organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to provide reconstructive surgery and related health care to indigent children and young adults in developing countries and the United States.

17. Beginning July 1, 1995, and ending July 1, 2003, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for educational, scientific, and charitable purposes relating to the promotion of health within the boundaries of the Eighth Planning District established pursuant to § 15.2-4203, including (i) operating a medical clinic which shall provide services without charge or shall charge less than prevailing rates to those who are unable to obtain health care through conventional means and (ii) educating and providing information to the general public regarding the treatment and prevention of those conditions which commonly affect the poor.

18. Beginning July 1, 1995, and ending July 1, 2003 2004, equipment and supplies purchased for use or consumption by a nonprofit charitable organization which is exempt from taxation under § 501 (c) (3)

of the Internal Revenue Code and which is organized and operated exclusively for the purpose of providing charitable, long-distance, advanced life-support, air ambulance services for low-income medical patients in the Commonwealth.

19. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, organized exclusively to provide medical and psychological evaluations and direct therapeutic and rehabilitative medical and psychological treatment and services to child-abuse victims within the boundaries of the Twenty-third Planning District established pursuant to § 15.2-4203.

20. Ending July 1, 2003 2004, medical products and supplies, which are otherwise taxable, such as bandages, gauze dressings, incontinence products and wound-care products, when purchased by a Medicaid recipient through a Department of Medical Assistance Services provider agreement.

21. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to provide a comprehensive network of medical and psycho-social treatment to adults, on both an inpatient and outpatient basis, or to adolescent patients in a residential setting, within the boundaries of the Fifteenth Planning District established pursuant to § 15.2-4203.

22. Beginning July 1, 1996, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized and operated primarily to benefit a medical college affiliated with a state university by providing support services to and conducting the professional practices of faculty members associated with such medical college.

23. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established at the initiative of the General Assembly and its Joint Commission on Health Care to increase access to primary and preventive health care for Virginia's uninsured and medically underserved citizens.

24. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to coordinate and facilitate the delivery of health care services to the children, aged birth to six years, of families whose incomes fall below the federal poverty level.

25. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized and operated to initiate, promote, assist, develop, maintain, and conduct, directly or indirectly, studies, investigations and research relating to the treatment and prevention of birth defects.

26. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a foundation exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to promote quality health care and health care education in the Roanoke Valley by promoting health care research, providing health care education, and establishing scholarships for needy and deserving students who are pursuing health care careers.

27. Beginning July 1, 1997, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to provide dental services within the boundaries of the Eighth Planning District established pursuant to § 15.2-4203 at reduced rates to the indigent by dentists and dental hygienists who volunteer their time.

28. Beginning July 1, 1995, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to provide patient, family and community education programs about cancer as well as free community cancer screenings and to acquire, own and operate an out-patient medical facility for the provision of radiation therapy services to cancer patients.

29. Beginning July 1, 1998, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established to provide support and assistance to primary and secondary victims of Alzheimer's disease, their families, friends and communities; to facilitate community education of the disease; and to support research into its prevention.

30. Beginning July 1, 1998, and ending July 1, 2003, tangible personal property purchased for use or consumption by a corporation exempt from taxation under § 501 (c) (3) of the Internal Revenue Code which is organized exclusively to provide breast cancer support and outreach for the medically underserved, including free mammography programs.

31. Beginning July 1, 1998, and ending July 1, 2003 2004, tangible personal property purchased for use or consumption by a nonprofit corporation organized under the laws of the Commonwealth which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized for the purposes

429 of developing a coordinated citizens' voluntary movement to work toward improved care and treatment
430 of persons affected with kidney disease, and improving methods and services in research, prevention,
431 detection, diagnosis and treatment of kidney disease and disorders.

432 32. Beginning July 1, 2000, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
433 use or consumption by a nonprofit corporation which is exempt from taxation under § 501 (c) (3) of the
434 Internal Revenue Code and organized to address the nationwide shortage of transplantable organs by
435 promoting an increase in organ and tissue donation through campaigns in national print and broadcast
436 media and community-based programs designed to educate the public about the virtues and benefits of
437 organ and tissue donation.

438 33. Beginning July 1, 2000, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
439 use or consumption by a nonprofit corporation which is exempt from federal income taxation pursuant
440 to § 501 (c) (3) of the Internal Revenue Code and organized to provide medical services to individuals,
441 regardless of economic status, with speech, hearing and language disorders, including such services as,
442 but not limited to, evaluation, diagnosis and treatment.

443 34. Beginning July 1, 2000, and ending July 1, 2003, tangible personal property purchased for use or
444 consumption by a nonprofit corporation located within the boundaries of the Twenty-Third District
445 established pursuant to § 15.2-4203, exempt from taxation under § 501 (c) (3) of the Internal Revenue
446 Code and organized to provide support services to terminally ill persons and their caregivers, including
447 but not limited to, cancer information, bereavement care, transportation assistance, and time out for
448 family members.

449 35. Beginning July 1, 2000, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
450 use or consumption by a corporation exempt from taxation under § 501 (c) (3) of the Internal Revenue
451 Code which is located within the boundaries of the Eighth Planning District established pursuant to
452 § 15.2-4203 and organized to provide housing facilities and services specially designed to meet the
453 physical, social and employment needs of the physically disabled and to promote their health, security
454 and happiness in an effort to assist them in achieving social and economic self-sufficiency.

455 36. Effective retroactive to August 1, 1995, and ending July 1, 2003, tangible personal property
456 purchased for use or consumption by a nonprofit organization which is exempt from taxation under
457 § 501 (c) (3) of the Internal Revenue Code and organized to (i) foster the faith of students in healthcare
458 graduate studies on the campus of the Medical College of Virginia, (ii) encourage and develop medical
459 missions overseas, (iii) promote and support volunteer services in medical and dental care for the needy
460 and homeless, and (iv) discourage out-of-wedlock teenage sexual activity.

461 37. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
462 use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the
463 Internal Revenue Code and organized to improve health care in Grenada by (i) offering continuing
464 medical and nursing education, (ii) providing medical supplies and equipment, and (iii) using donated
465 funds and services of volunteer groups, professionals and corporations.

466 38. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
467 use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the
468 Internal Revenue Code and organized to (i) make quality hospice care available to persons with life
469 threatening illnesses, their families and those affected by death and dying, (ii) advocate effectively for
470 patient comfort, dignity and choice, and (iii) be recognized as a leading resource in clinical, ethical, and
471 spiritual issues of dying and grief.

472 39. Beginning July 1, 2001, and ending July 1, 2003, tangible personal property purchased for use or
473 consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the Internal
474 Revenue Code and organized to improve the recovery and quality of life for survivors of brain injury
475 and their families by providing outreach to more than 10,000 families annually in the form of
476 information and referral assistance.

477 40. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
478 use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the
479 Internal Revenue Code and organized to provide physical, psychological, social and spiritual care for
480 terminally ill persons and their families.

481 41. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
482 use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the
483 Internal Revenue Code and organized to (i) provide comprehensive reproductive and complementary
484 health care services in settings that preserve and protect the essential privacy and rights of each
485 individual, (ii) advocate public policies that guarantee these rights and ensure access to such services,
486 and (iii) provide educational programs that enhance understanding of individual and societal implications
487 of human sexuality.

488 42. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for
489 use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the
490 Internal Revenue Code and organized to support the charitable, scientific, and educational activities of a

hospital by providing a comprehensive range of high quality health care services.

43. Beginning July 1, 2001, and ending July 1, ~~2003~~ 2004, tangible personal property purchased for use or consumption by a nonprofit corporation that is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to identify and support innovative and creative health and quality of life improvements throughout the community in which it is located and in surrounding communities.

44. Beginning July 1, 2001, and ending July 1, 2002, tangible personal property purchased for use or consumption by a nonprofit organization exempt from federal income taxation pursuant to § 501 (c) (3) of the Internal Revenue Code and organized to improve access to primary health care for all Virginians by, including but not limited to, providing technical assistance to communities in developing not-for-profit primary care medical practices.