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HOUSE BILL NO. 1948

Offered January 10, 2007

Prefiled January 5, 2007

A BILL to amend and reenact §§ 15.2-1104.1, 58.1-3, 58.1-609.10, 58.1-609.11, 58.1-609.12, and 58.1-3818, as it is currently effective and as it shall become effective, of the Code of Virginia, relating to a retail sales and use tax exemption for volunteer fire departments and volunteer rescue squads.

Patron—Morgan

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-1104.1, 58.1-3, 58.1-609.10, 58.1-609.11, 58.1-609.12, and 58.1-3818, as it is currently effective and as it shall become effective, of the Code of Virginia are amended and reenacted as follows:

§ 15.2-1104.1. Tax on admissions to charitable events.

A municipal corporation that generally levies an admissions tax may, by ordinance, elect not to levy an admissions tax on admission to an event, provided that the purpose of the event is solely to raise money for charitable purposes and that the net proceeds derived from the event will be transferred to an entity or entities that are exempt from sales and use tax pursuant to § 58.1-609.10 or 58.1-609.11.

§ 58.1-3. Secrecy of information; penalties.

A. Except in accordance with a proper judicial order or as otherwise provided by law, the Tax Commissioner or agent, clerk, commissioner of the revenue, treasurer, or any other state or local tax or revenue officer or employee, or any person to whom tax information is divulged pursuant to § 58.1-2712.2, or any former officer or employee of any of the aforementioned offices shall not divulge any information acquired by him in the performance of his duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation. Such prohibition specifically includes any copy of a federal return or federal return information required by Virginia law to be attached to or included in the Virginia return. This prohibition shall apply to any reports, returns, financial documents or other information filed with the Attorney General pursuant to the provisions of Article 6 (§ 3.1-336.3 et seq.) of Chapter 18 of Title 3.1. Any person violating the provisions of this section shall be guilty of a Class 2 misdemeanor. The provisions of this subsection shall not be applicable, however, to:

1. Matters required by law to be entered on any public assessment roll or book;

2. Acts performed or words spoken or published in the line of duty under the law;

3. Inquiries and investigations to obtain information as to the process of real estate assessments by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information obtained shall be privileged;

4. The sales price, date of construction, physical dimensions or characteristics of real property, or any information required for building permits;

5. Copies of or information contained in an estate's probate tax return, filed with the clerk of court pursuant to § 58.1-1714, when requested by a beneficiary of the estate or an heir at law of the decedent;

6. Information regarding nonprofit entities exempt from sales and use tax under § 58.1-609.10 or 58.1-609.11, when requested by the General Assembly or any duly constituted committee of the General Assembly.

B. Nothing contained in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof or the publication of delinquent lists showing the names of taxpayers who are currently delinquent, together with any relevant information which in the opinion of the Department may assist in the collection of such delinquent taxes. This section shall not be construed to prohibit a local tax official from disclosing whether a person, firm or corporation is licensed to do business in that locality and divulging, upon written request, the name and address of any person, firm or corporation transacting business under a fictitious name. Additionally, notwithstanding any other provision of law, the commissioner of revenue is authorized to provide, upon written request stating the reason for such request, the Tax Commissioner with information obtained from local tax returns and other information pertaining to the income, sales and property of any person, firm or corporation licensed to do business in that locality.

C. Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax Commissioner is authorized to: (i) divulge tax information to any commissioner of the revenue, director

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59 of finance or other similar collector of county, city or town taxes who, for the performance of his
60 official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the
61 Commissioner of the Department of Social Services, upon written request, information on the amount of
62 income, filing status, number and type of dependents, and whether a federal earned income tax credit
63 has been claimed as reported by persons on their state income tax returns who have applied for public
64 assistance or social services benefits as defined in § 63.2-100; (iii) provide to the chief executive officer
65 of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the
66 names and home addresses of those persons identified by the designated guarantor as having delinquent
67 loans guaranteed by the designated guarantor; (iv) provide current address information upon request to
68 state agencies and institutions for their confidential use in facilitating the collection of accounts
69 receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the
70 collection of fines, penalties and costs imposed in a proceeding in that court; (v) provide to the
71 Commissioner of the Virginia Employment Commission, after entering into a written agreement, such
72 tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid
73 benefits; (vi) provide to the Alcoholic Beverage Control Board, upon entering into a written agreement,
74 such tax information as may be necessary to facilitate the collection of state and local taxes and the
75 administration of the alcoholic beverage control laws; (vii) provide to the Director of the State Lottery
76 Department such tax information as may be necessary to identify those lottery ticket retailers who owe
77 delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax
78 information as may be necessary to facilitate the location of owners and holders of unclaimed property,
79 as defined in § 55-210.2; (ix) provide to the State Corporation Commission, upon entering into a written
80 agreement, such tax information as may be necessary to facilitate the collection of taxes and fees
81 administered by the Commission; (x) provide to the Executive Director of the Potomac and
82 Rappahannock Transportation Commission for its confidential use such tax information as may be
83 necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the Director of
84 the Department of Charitable Gaming such tax information as may be necessary to identify those
85 applicants for registration as a supplier of charitable gaming supplies who have not filed required returns
86 or who owe delinquent taxes; (xii) provide to the Department of Housing and Community Development
87 for its confidential use such tax information as may be necessary to facilitate the administration of the
88 remaining effective provisions of the Enterprise Zone Act (§ 59.1-270 et seq.), and the Enterprise Zone
89 Grant Program (§ 59.1-538 et seq.); (xiii) provide current name and address information to private
90 collectors entering into a written agreement with the Tax Commissioner, for their confidential use when
91 acting on behalf of the Commonwealth or any of its political subdivisions; however, the Tax
92 Commissioner is not authorized to provide such information to a private collector who has used or
93 disseminated in an unauthorized or prohibited manner any such information previously provided to such
94 collector; (xiv) provide current name and address information as to the identity of the wholesale or retail
95 dealer that affixed a tax stamp to a package of cigarettes to any person who manufactures or sells at
96 retail or wholesale cigarettes and who may bring an action for injunction or other equitable relief for
97 violation of Chapter 10.1, Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to
98 the Commissioner of Labor and Industry, upon entering into a written agreement, such tax information
99 as may be necessary to facilitate the collection of unpaid wages under § 40.1-29; (xvi) provide to the
100 Director of the Department of Human Resource Management, upon entering into a written agreement,
101 such tax information as may be necessary to identify persons receiving workers' compensation indemnity
102 benefits who have failed to report earnings as required by § 65.2-712; and (xvii) provide to any
103 commissioner of the revenue, director of finance, or any other officer of any county, city, or town
104 performing any or all of the duties of a commissioner of the revenue and to any dealer registered for the
105 collection of the Communications Sales and Use Tax, a list of the names, business addresses, and dates
106 of registration of all dealers registered for such tax. The Tax Commissioner is further authorized to enter
107 into written agreements with duly constituted tax officials of other states and of the United States for the
108 inspection of tax returns, the making of audits, and the exchange of information relating to any tax
109 administered by the Department of Taxation. Any person to whom tax information is divulged pursuant
110 to this section shall be subject to the prohibitions and penalties prescribed herein as though he were a
111 tax official.

112 D. Notwithstanding the provisions of subsection A or B or any other provision of this title, the
113 commissioner of revenue or other assessing official is authorized to (i) provide, upon written request
114 stating the reason for such request, the chief executive officer of any county or city with information
115 furnished to the commissioner of revenue by the Tax Commissioner relating to the name and address of
116 any dealer located within the county or city who paid sales and use tax, for the purpose of verifying the
117 local sales and use tax revenues payable to the county or city; (ii) provide to the Department of
118 Professional and Occupational Regulation for its confidential use the name, address, and amount of gross
119 receipts of any person, firm or entity subject to a criminal investigation of an unlawful practice of a
120 profession or occupation administered by the Department of Professional and Occupational Regulation,

only after the Department of Professional and Occupational Regulation exhausts all other means of obtaining such information; and (iii) provide to any representative of a condominium unit owners' association, property owners' association or real estate cooperative association, or to the owner of property governed by any such association, the names and addresses of parties having a security interest in real property governed by any such association; however, such information shall be released only upon written request stating the reason for such request, which reason shall be limited to proposing or opposing changes to the governing documents of the association, and any information received by any person under this subsection shall be used only for the reason stated in the written request. The treasurer or other local assessing official may require any person requesting information pursuant to clause (iii) of this subsection to pay the reasonable cost of providing such information. Any person to whom tax information is divulged pursuant to this subsection shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

Notwithstanding the provisions of subsection A or B or any other provisions of this title, the treasurer or other collector of taxes for a county, city or town is authorized to provide information relating to any motor vehicle, trailer or semitrailer obtained by such treasurer or collector in the course of performing his duties to the commissioner of the revenue or other assessing official for such jurisdiction for use by such commissioner or other official in performing assessments.

This section shall not be construed to prohibit a local tax official from imprinting or displaying on a motor vehicle local license decal the year, make, and model and any other legal identification information about the particular motor vehicle for which that local license decal is assigned.

E. Notwithstanding any other provisions of law, state agencies and any other administrative or regulatory unit of state government shall divulge to the Tax Commissioner or his authorized agent, upon written request, the name, address, and social security number of a taxpayer, necessary for the performance of the Commissioner's official duties regarding the administration and enforcement of laws within the jurisdiction of the Department of Taxation. The receipt of information by the Tax Commissioner or his agent which may be deemed taxpayer information shall not relieve the Commissioner of the obligations under this section.

F. Additionally, it shall be unlawful for any person to disseminate, publish, or cause to be published any confidential tax document which he knows or has reason to know is a confidential tax document. A confidential tax document is any correspondence, document, or tax return that is prohibited from being divulged by subsection A, B, C, or D of this section. This prohibition shall not apply if such confidential tax document has been divulged or disseminated pursuant to a provision of law authorizing disclosure. Any person violating the provisions of this subsection shall be guilty of a Class 2 misdemeanor.

§ 58.1-609.10. Miscellaneous 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. Artificial or propane gas, firewood, coal or home heating oil used for domestic consumption. "Domestic consumption" means the use of artificial or propane gas, firewood, coal or home heating oil by an individual purchaser for other than business, commercial or industrial purposes. The Tax Commissioner shall establish by regulation a system for use by dealers in classifying individual purchases for domestic or nondomestic use based on the principal usage of such gas, wood, coal or oil. Any person making a nondomestic purchase and paying the tax pursuant to this chapter who uses any portion of such purchase for domestic use may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for a refund of the tax paid on the domestic use portion.

2. An occasional sale, as defined in § 58.1-602.

3. Tangible personal property for future use by a person for taxable lease or rental as an established business or part of an established business, or incidental or germane to such business, including a simultaneous purchase and taxable leaseback.

4. Delivery of tangible personal property outside the Commonwealth for use or consumption outside of the Commonwealth. Delivery of goods destined for foreign export to a factor or export agent shall be deemed to be delivery of goods for use or consumption outside of the Commonwealth.

5. Tangible personal property purchased with food coupons issued by the United States Department of Agriculture under the Food Stamp Program or drafts issued through the Virginia Special Supplemental Food Program for Women, Infants, and Children.

6. Tangible personal property purchased for use or consumption in the performance of maintenance and repair services at Nuclear Regulatory Commission-licensed nuclear power plants located outside the Commonwealth.

7. Beginning July 1, 1997, and ending July 1, 2006, a professional's provision of original, revised, edited, reformatted or copied documents, including but not limited to documents stored on or transmitted

182 by electronic media, to its client or to third parties in the course of the professional's rendition of
183 services to its clientele.

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

190 9. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses, eyeglass cases,
191 and contact lens storage containers when distributed free of charge, all solutions or sterilization kits or
192 other devices applicable to the wearing or maintenance of contact lenses or eyeglasses when distributed
193 free of charge, and hearing aids dispensed by or sold on prescriptions or work orders of licensed
194 physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, hearing aid dealers and
195 fitters, nurse practitioners, physician assistants, and veterinarians; controlled drugs purchased for use by
196 a licensed physician, optometrist, licensed nurse practitioner, or licensed physician assistant in his
197 professional practice, regardless of whether such practice is organized as a sole proprietorship,
198 partnership, or professional corporation, or any other type of corporation in which the shareholders and
199 operators are all licensed physicians, optometrists, licensed nurse practitioners, or licensed physician
200 assistants engaged in the practice of medicine, optometry, or nursing; medicines and drugs purchased for
201 use or consumption by a licensed hospital, nursing home, clinic, or similar corporation not otherwise
202 exempt under this section; and samples of prescription drugs and medicines and their packaging
203 distributed free of charge to authorized recipients in accordance with the federal Food, Drug, and
204 Cosmetic Act (21 U.S.C.A. § 301 et seq., as amended). With the exceptions of those medicines and
205 drugs used for agricultural production animals that are exempt to veterinarians under subdivision 1 of
206 § 58.1-609.2, any veterinarian dispensing or selling medicines or drugs on prescription shall be deemed
207 to be the user or consumer of all such medicines and drugs.

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

216 11. Drugs and supplies used in hemodialysis and peritoneal dialysis.

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

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

222 14. a. (i) Any nonprescription drugs and proprietary medicines purchased for the cure, mitigation,
223 treatment, or prevention of disease in human beings and (ii) any samples of nonprescription drugs and
224 proprietary medicines distributed free of charge by the manufacturer, including packaging materials and
225 constituent elements and ingredients.

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

229 15. Tangible personal property withdrawn from inventory and donated to (i) an organization exempt
230 from taxation under § 501 (c) (3) of the Internal Revenue Code or (ii) the Commonwealth, any political
231 subdivision of the Commonwealth, or any school, agency, or instrumentality thereof.

232 16. Tangible personal property purchased by nonprofit churches that are exempt from taxation under
233 § 501 (c) (3) of the Internal Revenue Code, or whose real property is exempt from local taxation
234 pursuant to the provisions of § 58.1-3606, for use (i) in religious worship services by a congregation or
235 church membership while meeting together in a single location and (ii) in the libraries, offices, meeting
236 or counseling rooms or other rooms in the public church buildings used in carrying out the work of the
237 church and its related ministries, including kindergarten, elementary and secondary schools. The
238 exemption for such churches shall also include bulletins, programs, newspapers and
239 newsletters that do not contain paid advertising and are used in carrying out the work of the church;
240 gifts including food for distribution outside the public church building; and food, disposable serving
241 items, cleaning supplies and teaching materials used in the operation of camps or conference centers by
242 the church or an organization composed of churches that are exempt under this subdivision and which
243 are used in carrying out the work of the church or churches.

17. 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.

18. *Tangible personal property purchased for use or consumption by or sold by a volunteer fire department or volunteer rescue squad, an auxiliary or junior organization of such department or squad not conducted for profit, a nonprofit association of which the regular membership is composed of such volunteer fire departments or volunteer rescue squads, and construction materials to be incorporated into realty when sold to and used by such organization, rather than a contractor, in construction, maintenance, or repair of any property of such organization.*

Nothing in this subdivision shall be construed or interpreted as prohibiting any organization or entity described in this subdivision from applying for a sales and use tax exemption under the provisions of § 58.1-609.11.

§ 58.1-609.11. Exemptions for nonprofit entities.

A. Any nonprofit organization that holds a valid certificate of exemption from the Department of Taxation, or any nonprofit church that holds a valid self-executing certificate of exemption, that exempts it from collecting or paying state and local retail sales or use taxes as of June 30, 2003, pursuant to § 58.1-609.4, 58.1-609.7, 58.1-609.8, 58.1-609.9, or 58.1-609.10, as such sections are in effect on June 30, 2003, shall remain exempt from the collection or payment of such taxes under the same terms and conditions as provided under such sections as such sections existed on June 30, 2003, until: (i) July 1, 2007, for such entities that were exempt under § 58.1-609.4; (ii) July 1, 2008, for such entities that were exempt under § 58.1-609.7; (iii) July 1, 2004, for the first one-half of such entities that were exempt under § 58.1-609.8, except churches, which will remain exempt under the same criteria and procedures in effect for churches on June 30, 2003; (iv) July 1, 2005, for the second one-half of such entities that were exempt under § 58.1-609.8; and (v) July 1, 2006, for such entities that were exempt under § 58.1-609.9 or under § 58.1-609.10. At the end of the applicable period of such exemptions, to maintain or renew an exemption for the period of time set forth in subsection B, each entity must follow the procedures set forth in subsection B and meet the criteria set forth in subsection C. Provided, however, that any entity that was exempt from collecting sales and use tax shall continue to be exempt from such collection, and any entity that was exempt from paying sales and use tax for the purchase of services, as of June 30, 2003, shall continue to be exempt from such payment, provided that it follows the other procedures set forth in subsection B and meets the criteria set forth in subsection C. Provided further, however, that an educational institution doing business in the Commonwealth which provides a face-to-face educational experience in American government and was exempt pursuant to subdivision 4 of § 58.1-609.4 from paying sales and use tax for the purchase of services, as of June 30, 2003, shall continue to be exempt from such payment, provided that it follows the other procedures set forth in subsection B and meets the criteria set forth in subsection C.

B. On and after July 1, 2004, in addition to the organizations described in subsection A, the tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to purchases of tangible personal property for use or consumption by any nonprofit entity that, pursuant to this section, (i) files an appropriate application with the Department of Taxation, (ii) meets the applicable criteria, and (iii) is issued a certificate of exemption from the Department of Taxation for the period of time covered by the certificate.

C. To qualify for the exemption under subsection B, a nonprofit entity must meet the applicable criteria under this subsection as follows:

1. a. The entity is exempt from federal income taxation (i) under § 501 (c) (3) of the Internal Revenue Code or (ii) under § 501 (c) (4) of the Internal Revenue Code and, if it is exempt under § 501 (c) (4) of the Internal Revenue Code, it is organized for a charitable purpose; or

b. The entity has annual gross receipts less than \$5,000, and the entity is organized for at least one of the purposes set forth in § 501 (c) (3) of the Internal Revenue Code, or one of the charitable purposes set forth in § 501 (c) (4) of the Internal Revenue Code; and

2. The entity is in compliance with all applicable state solicitation laws, and where applicable, provides appropriate verification of such compliance; and

3. The entity's annual general administrative costs, including salaries and fundraising, relative to its annual gross revenue, under generally accepted accounting principles, is not greater than 40 percent; and

4. If the entity's gross annual revenue was \$250,000 or greater in the previous year, then the entity must provide a financial audit performed by an independent certified public accountant; and

5. If the entity filed a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the Internal Revenue Service, then it must provide a copy of such form to the Department of Taxation; and

6. If the entity did not file a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the Internal Revenue Service, then the entity must provide the following information:

305 a. A list of the Board of Directors or other responsible agents of the entity, composed of at least two
306 individuals, with names and addresses where the individuals physically can be found; and

307 b. The location where the financial records of the entity are available for public inspection.

308 D. On and after July 1, 2004, in addition to the criteria set forth in subsection C, the Department of
309 Taxation shall ask each entity for the total taxable purchases made in the preceding year, unless such
310 records are not available through no fault of the entity. If the records are not available through no fault
311 of the entity, then the entity must provide such information to the Department the following year. No
312 information provided pursuant to this subsection (except the failure to provide available information)
313 shall be a basis for the Department of Taxation to refuse to exempt an entity.

314 E. Any entity that is determined under subsections B, C, and D by the Department of Taxation to be
315 exempt from paying sales and use tax shall also be exempt from collecting sales and use tax, at its
316 election, if (i) the entity is within the same class of organization of any entity that was exempt from
317 collecting sales and use tax on June 30, 2003, or (ii) the entity is organized exclusively to foster,
318 sponsor, and promote physical education, athletic programs, and contests for youths in the
319 Commonwealth.

320 F. The duration of each exemption granted by the Department of Taxation shall be no less than five
321 years and no greater than seven years. During the period of such exemption, the failure of an exempt
322 entity to maintain compliance with the applicable criteria set forth in subsection C shall constitute
323 grounds for revocation of the exemption by the Department. At the end of the period of such exemption,
324 to maintain or renew the exemption, each entity must provide the Department of Taxation the same
325 information as required upon initial exemption and meet the same criteria.

326 *G. The provisions of subdivision 18 of § 58.1-609.10 shall not be applicable to any organization or*
327 *entity that has been granted a sales and use tax exemption pursuant to this section, which exemption*
328 *has not expired.*

329 *GH.* For purposes of this section, the Department of Taxation and the Department of Agriculture and
330 Consumer Services shall be allowed to share information when necessary to supplement the information
331 required.

332 *HI.* The Department of Taxation shall file an annual report no later than December 1, 2004, and
333 December 1 of each succeeding year with the Chairman of the House Finance Committee, the Chairman
334 of the House Appropriations Committee, and the Chairman of the Senate Finance Committee, setting
335 forth the annual fiscal impact of the sales and use tax exemptions for nonprofit entities.

336 § 58.1-609.12. Reports to General Assembly on tax exemptions studies.

337 A. The Tax Commissioner shall determine the fiscal, economic and policy impact of each sales and
338 use tax exemption set out in §§ 58.1-609.10 and 58.1-609.11 and report such findings to the chairmen of
339 the House and Senate Finance Committees no later than December 1 of each year. The first such report
340 shall be due December 1, 2007. Subgroups of the exemptions shall be reviewed in periodic cycles and
341 reports issued on a rotating basis in accordance with a schedule determined by the Tax Commissioner.
342 When such reports have been completed for each subgroup of the sales and use tax exemptions, the Tax
343 Commissioner shall repeat the process beginning with the subgroup of exemptions for which a report
344 was made in 2007. No exemption shall be analyzed under the provisions of this section more frequently
345 than once every five years.

346 B. When the Tax Commissioner investigates and analyzes the tax exemptions in § 58.1-609.10, the
347 following information shall be considered and included in the report:

348 1. Estimate of foregone state and local revenues as a direct result of the exemption;

349 2. Beneficiaries of the exemption;

350 3. Direct or indirect local, state, or federal government assistance received by the persons or entities
351 granted the exemption, to the extent such information is reasonably available;

352 4. The extent to which the comparable person, entity, property, service, or industry is exempt from
353 the retail sales and use tax in other states, particularly states contiguous to the Commonwealth;

354 5. Any external statutory, constitutional, or judicial mandates supporting the exemption;

355 6. Other Virginia taxes to which the person, entity, property, service, or industry is subject;

356 7. Similar taxpayers who are not entitled to a retail sales and use tax exemption; and

357 8. Other criteria, facts or circumstances that may be relevant to the exemption.

358 C. When the Tax Commissioner investigates and analyzes the tax exemptions in § 58.1-609.11, in
359 addition to the information required by subsection *HI* of § 58.1-609.11, he shall report on the extent to
360 which the person, entity, property, service, or industry is exempt from the retail sales and use tax in
361 other states, particularly states contiguous to the Commonwealth.

362 D. For purposes of this section, the Department of Taxation and the Department of Agriculture and
363 Consumer Services shall be allowed to share information when necessary to supplement the information
364 required to be reported under this section.

365 § 58.1-3818. (Expires January 1, 2008) Admissions tax in certain counties.

366 A. Fairfax, Arlington, Dinwiddie, Prince George and Brunswick Counties are hereby authorized to

levy a tax on admissions charged for attendance at any event. The tax shall not exceed 10 percent of the amount of charge for admission to any such event. Notwithstanding any other provisions of law, the governing bodies of such counties shall prescribe by ordinance the terms, conditions and amount of such tax and may classify between events conducted for charitable and those conducted for noncharitable purposes.

B. Notwithstanding the provisions of subsection A, any county with a population of at least 27,500 but not more than 28,250 and any county with a population of at least 10,400 but not more than 10,490 as determined by the 1990 United States Census are hereby authorized to levy a tax on admissions charged for attendance at any event as set forth in subsection A.

C. Notwithstanding the provisions of subsection A, any county with a population of at least 12,450 but not more than 12,850 is hereby authorized to levy a tax on admissions charged for attendance at any spectator event; however, a tax shall not be levied on admissions charged to participants in order to participate in any event. The tax shall not exceed 10 percent of the amount of charge for admission to any event. Notwithstanding any other provisions of law, the governing body of such county shall prescribe by ordinance the terms, conditions and amount of such tax and may classify between the events as set forth in § 58.1-3817.

D. Notwithstanding the provisions of subsections A, B, and C, any county in which a major league baseball stadium, as defined in § 15.2-5800, is located is hereby authorized to levy (i) a tax on admissions charged at any event at such stadium and (ii) a surcharge on admissions charged for attendance at any event at such stadium if it has a seating capacity of at least 40,000 seats. The tax on admissions shall not exceed 10 percent. Such surcharge shall not exceed two percent of the charge for admissions. Notwithstanding any other provisions of law, the governing bodies of such counties shall prescribe by ordinance the terms, conditions, and amounts of such tax and surcharge and may classify between events conducted for noncharitable purposes.

E. Notwithstanding the provisions of subsections A, B, C, and D, localities may, by ordinance, elect not to levy an admissions tax on admission to an event, provided that the purpose of the event is solely to raise money for charitable purposes and that the net proceeds derived from the event will be transferred to an entity or entities that are exempt from sales and use tax pursuant to § 58.1-609.10 or 58.1-609.11.

§ 58.1-3818. (Effective January 1, 2008 - See Editor's note) Admissions tax in certain counties.

A. Fairfax, Arlington, Dinwiddie, Prince George and Brunswick Counties are hereby authorized to levy a tax on admissions charged for attendance at any event. The tax shall not exceed 10 percent of the amount of charge for admission to any such event. Notwithstanding any other provisions of law, the governing bodies of such counties shall prescribe by ordinance the terms, conditions and amount of such tax and may classify between events conducted for charitable and those conducted for noncharitable purposes.

B. Notwithstanding the provisions of subsection A, any county with a population of at least 27,500 but not more than 28,250 and any county with a population of at least 10,400 but not more than 10,490 as determined by the 1990 United States Census are hereby authorized to levy a tax on admissions charged for attendance at any event as set forth in subsection A.

C. Notwithstanding the provisions of subsection A, any county with a population of at least 12,450 but not more than 12,850 is hereby authorized to levy a tax on admissions charged for attendance at any spectator event; however, a tax shall not be levied on admissions charged to participants in order to participate in any event. The tax shall not exceed 10 percent of the amount of charge for admission to any event. Notwithstanding any other provisions of law, the governing body of such county shall prescribe by ordinance the terms, conditions and amount of such tax and may classify between the events as set forth in § 58.1-3817.

D. Notwithstanding the provisions of subsections A, B and C, localities may, by ordinance, elect not to levy an admissions tax on admission to an event, provided that the purpose of the event is solely to raise money for charitable purposes and that the net proceeds derived from the event will be transferred to an entity or entities that are exempt from sales and use tax pursuant to § 58.1-609.10 or 58.1-609.11.

2. That the provisions of this act shall apply to taxable transactions occurring on or after July 1, 2007.