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HOUSE BILL NO. 1145

Offered January 9, 2008

Prefiled January 9, 2008

A BILL to amend and reenact § 58.1-609.1 of the Code of Virginia, relating to sales and use tax exemption; certain works of art.

 Patron—Fralin

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-609.1 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-609.1. Governmental and commodities 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. Fuels which are subject to the tax imposed by Chapter 22 (§ 58.1-2200 et seq.) of this title. Persons who are refunded any such fuel tax shall, however, be subject to the tax imposed by this chapter, unless such taxes would be specifically exempted pursuant to any provision of this section.

2. Motor vehicles, trailers, semitrailers, mobile homes and travel trailers.

3. Gas, electricity, or water when delivered to consumers through mains, lines, or pipes.

4. Tangible personal property for use or consumption by the Commonwealth, any political subdivision of the Commonwealth, or the United States. This exclusion shall not apply to sales and leases to privately owned financial and other privately owned corporations chartered by the United States. Further, this exemption shall not apply to tangible personal property which is acquired by the Commonwealth or any of its political subdivisions and then transferred to private businesses for their use in a facility or real property improvement to be used by a private entity or for nongovernmental purposes other than tangible personal property acquired by the Herbert H. Bateman Advanced Shipbuilding and Carrier Integration Center and transferred to a Qualified Shipbuilder as defined in the third enactment of Chapter 790 of the 1998 Acts of the General Assembly.

5. Aircraft subject to tax under Chapter 15 (§ 58.1-1500 et seq.) of this title.

6. Motor fuels and alternative fuels for use in a commercial watercraft upon which a fuel tax is refunded pursuant to § 58.1-2259.

7. Sales by a government agency of the official flags of the United States, the Commonwealth of Virginia, or of any county, city or town.

8. Materials furnished by the State Board of Elections pursuant to §§ 24.2-404 through 24.2-407.

9. Watercraft as defined in § 58.1-1401.

10. Tangible personal property used in and about a marine terminal under the supervision of the Virginia Port Authority for handling cargo, merchandise, freight and equipment. This exemption shall apply to agents, lessees, sublessees or users of tangible personal property owned by or leased to the Virginia Port Authority and to property acquired or used by the Authority or by a nonstock, nonprofit corporation that operates a marine terminal or terminals on behalf of the Authority.

11. Sales by prisoners confined in state correctional facilities of artistic products personally made by the prisoners as authorized by § 53.1-46.

12. Tangible personal property for use or consumption by the Virginia Department for the Blind and Vision Impaired or any nominee, as defined in § 51.5-60, of such Department.

13. —Expired.]

14. Tangible personal property sold to residents and patients of the Virginia Veterans Care Center at a canteen operated by the Department of Veterans Services.

15. Tangible personal property for use or consumption by any nonprofit organization whose members include the Commonwealth and other states and which is organized for the purpose of fostering interstate cooperation and excellence in government.

16. Tangible personal property purchased for use or consumption by any soil and conservation district which is organized in accordance with the provisions of Article 3 (§ 10.1-506 et seq.) of Chapter 5 of Title 10.1.

17. Beginning September 1, 2004, (i) tangible personal property sold or leased to Alexandria Transit Company, Greater Lynchburg Transit Company, GRTC Transit System, or Greater Roanoke Transit Company that is owned, operated, or controlled by any county, city, or town, or any combination thereof, that provides public transportation services, and/or (ii) tangible personal property sold or leased to any county, city, or town, or any combination thereof, that is transferred to any of the companies set

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59 forth in clause (i) owned, operated, or controlled by any county, city, or town, or any combination
60 thereof, that provides public transportation services.

61 18. (Effective until July 1, 2012) Energy Star qualified products with a sales price of \$2,500 or less
62 per product purchased for noncommercial home or personal use. The exemption provided by this
63 subdivision shall apply, beginning in 2007, only to sales occurring during the four-day period that
64 begins each year on the Friday before the second Monday in October and ends at midnight on the
65 second Monday in October.

66 For the purposes of this exemption, an Energy Star qualified product is any dishwasher, clothes
67 washer, air conditioner, ceiling fan, compact fluorescent light bulb, dehumidifier, programmable
68 thermostat, or refrigerator, the energy efficiency of which has been designated by the United States
69 Environmental Protection Agency and the United States Department of Energy as meeting or exceeding
70 each such agency's requirements under the Energy Star program.

71 19. *Works of art substantially created in a county, city, or town and sold for less than \$500 within*
72 *an art district designated by the county, city, or town. An art district is any area designated by a*
73 *county, city, or town in which there is a substantial presence of artists' studios or retail art sellers. No*
74 *county, city, or town shall have more than one art district and the total size of an art district shall not*
75 *exceed one-fourth of a square mile.*