

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-1101 of the Code of Virginia, relating to the classification of*
3 *intangible personal property.*

4
5 Approved

[H 741]

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 58.1-1101 of the Code of Virginia is amended and reenacted as follows:**

8 § 58.1-1101. Classification, rate of tax.

9 A. The subjects of taxation classified by this section are hereby defined as intangible personal
10 property:

11 1. Capital which is inventory, except wine while in the hands of a farm winery producer as defined
12 in § 4.1-100, merchandise located in a foreign trade zone as defined in subdivision 8 of this subsection
13 and any agricultural product held in this Commonwealth by any manufacturer for manufacturing or
14 processing which is of such nature as customarily requires storage and processing for periods of more
15 than one year in order to age or condition such product for manufacture. Such agricultural product shall
16 be includible in inventory for one tax year only and after being taxed for one year shall thereafter be
17 excluded for all succeeding tax years;

18 2. Capital which is personal property, tangible in fact, used in manufacturing (*including, but not*
19 *limited to, furniture, fixtures, office equipment and computer equipment used in corporate headquarters*),
20 mining, radio or television broadcasting, dairy, dry cleaning or laundry businesses. Machinery and tools,
21 motor vehicles and delivery equipment of such businesses shall not be defined as intangible personal
22 property for purposes of this chapter and shall be taxed locally as tangible personal property according
23 to the applicable provisions of law relative to such property;

24 2a. Personal property, tangible in fact, used in cable television businesses. Machines and tools, motor
25 vehicles, delivery equipment, trunk and feeder cables, studio equipment, antennae and office furniture
26 and equipment of such businesses shall not be defined as intangible personal property for purposes of
27 this chapter and shall be taxed locally as tangible personal property according to the applicable
28 provisions of law relative to such property;

29 3. Money;

30 4. Bonds, notes, and other evidences of debt; demands and claims;

31 5. Shares of stock;

32 6. Accounts receivable;

33 7. All imported and exported foreign merchandise or domestic merchandise scheduled for export
34 while in inventory located in a foreign trade zone within the Commonwealth; and

35 8. Computer application software, except computer application software which is inventory as defined
36 in subdivision 1 of this subsection, is defined as computer instructions, in any form, which are designed
37 to be read by a computer and to enable it to perform specific operations with data or information stored
38 by the computer.

39 B. [Repealed.]

40 C. The subjects of intangible personal property set forth in subdivisions 1 through 8 of subsection A
41 shall be exempt from taxation as provided in Article X, Section 6 (a) (5) of the Constitution of Virginia.

ENROLLED

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