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HOUSE BILL NO. 1864

Offered January 8, 1997

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

Patron—Moran (By Request)

Referred to Committee on Finance

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

§ 58.1-609.4. Educational exemptions.

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

1. School lunches sold and served to pupils and employees of schools and subsidized by government; school textbooks sold by a local board or authorized agency thereof; and school textbooks sold for use by students attending a college or other institution of learning not conducted for profit, 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. Tangible personal property for use or consumption by a college or other institution of learning and 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 not conducted for profit.

3. 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. 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 conducted not for profit.

5. Books and other reading materials for use by nonprofit organizations organized solely to distribute such books and reading materials to school-age children.

6. 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. 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 conducted not for profit.

8. Tangible personal property purchased for use, consumption, or sale at retail by an elementary or secondary school conducted not for profit, or Parent Teacher Association or other group associated with an elementary or secondary school conducted not for profit 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 that equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept 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 an elementary or secondary school conducted not for profit receives a commission or the net proceeds after the payment of vendors and other direct expenses.

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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. From July 1, 1989, through June 30, 2001, personal property purchased for use or consumption
72 by a private, nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal Revenue
73 Code, which operates a county public library, and such library is also used as a recreational center for
74 county residents.

75 11. From July 1, 1989, through June 30, 2001, tangible personal property purchased for use or
76 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
77 and organized primarily for the purpose of operating a public library.

78 12. From July 1, 1990, through June 30, 2001, tangible personal property and services purchased for
79 use by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, which is
80 organized and operated primarily for the purpose of encouraging participation in the free enterprise
81 system through information programs directed to secondary schools and college students, college
82 scholarship programs, and recognition of achievement in the American free enterprise system.

83 13. From July 1, 1990, through June 30, 2001, tangible personal property purchased for use or
84 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 nominal
88 charge.

89 14. From July 1, 1991, through June 30, 2001, tangible personal property purchased for use or
90 consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of
91 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. (i) From July 1, 1991, through June 30, 2001, tangible personal property purchased for use or
94 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 within the metropolitan Richmond area.

97 (ii) From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or
98 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
99 Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by
100 increasing community awareness of the illiteracy problem within the Roanoke Valley area.

101 16. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or
102 consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of
103 the Internal Revenue Code and which is organized exclusively for the purpose of raising funds for grant
104 aid to any state, county or municipal library open to the public within the boundaries of the Eighth
105 Planning District established pursuant to § 15.1-1403.

106 17. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or
107 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
108 Revenue Code and organized to provide educational and recreational services for at-risk youth and
109 which maintains a partnership with a magnet school within the boundaries of the Twenty-third Planning
110 District established pursuant to § 15.1-1403.

111 18. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or
112 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
113 Revenue Code and organized to provide specialized information and referral services, education
114 programs and advocacy on behalf of deaf and hard-of-hearing persons within the boundaries of the
115 Eighth Planning District established pursuant to § 15.1-1403.

116 19. From July 1, 1995, through June 30, 2001, tangible personal property purchased for use or
117 consumption by a nonprofit research, educational, and communications organization exempt from
118 taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote
119 highway safety.

120 20. From July 1, 1996, through June 30, 2001, tangible personal property purchased for use or
121 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal

122 Revenue Code and organized as a consortium of not less than forty private, historically black colleges
123 and universities for the purposes of raising funds, providing program services, and offering technical
124 services to support its member colleges and universities and their students.
125 21. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
126 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
127 and organized and operated (i) to conduct and publish educational research for public school
128 improvement, reform, and teacher education and (ii) to disseminate such research in the community to
129 encourage residents to take an interest in the teaching and learning activities of local schools.

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