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**HOUSE BILL NO. 32**

Offered January 10, 1996

Prefiled January 10, 1996

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

Patrons—Johnson; Senator: Wampler

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

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60 expenses.

61 9. a. From July 1, 1989, through June 30, 1996, tangible personal property purchased for use or  
62 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code  
63 and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that  
64 hires only certified public school teachers and which has a regularly prescribed curriculum.

65 b. From July 1, 1990, through June 30, 1996, tangible personal property purchased for use or  
66 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code  
67 and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that  
68 hires only certified public school teachers or teachers who are college graduates holding a degree from  
69 an accredited four-year institution of higher education and certified by an organization recognized by the  
70 U.S. Department of Education or by some other nationally recognized organization, and which has a  
71 regularly prescribed curriculum.

72 10. From July 1, 1989, through June 30, 1996, personal property purchased for use or consumption  
73 by a private, nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal Revenue  
74 Code, which operates a county public library, and such library is also used as a recreational center for  
75 county residents.

76 11. From July 1, 1989, through June 30, 1996, tangible personal property purchased for use or  
77 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code  
78 and organized primarily for the purpose of operating a public library.

79 12. From July 1, 1990, through June 30, 1996, tangible personal property and services purchased for  
80 use by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, which is  
81 organized and operated primarily for the purpose of encouraging participation in the free enterprise  
82 system through information programs directed to secondary schools and college students, college  
83 scholarship programs, and recognition of achievement in the American free enterprise system.

84 13. From July 1, 1990, through June 30, 1996, tangible personal property purchased for use or  
85 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
86 Revenue Code and organized primarily for the purpose of operating an arts center which offers and  
87 sponsors a year-round schedule of art education classes for adults and children, a continuous series of  
88 exhibits focusing on twentieth century art, and a wide range of seminars for the public at no or nominal  
89 charge.

90 14. From July 1, 1991, through June 30, 1996, tangible personal property purchased for use or  
91 consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of  
92 the Internal Revenue Code and which is organized and operated exclusively for the purpose of  
93 enhancing education by assisting a city public library with its physical and service needs.

94 15. (i) From July 1, 1991, through June 30, 1996, tangible personal property purchased for use or  
95 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
96 Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by  
97 increasing community awareness of the illiteracy problem within the metropolitan Richmond area.

98 (ii) From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or  
99 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
100 Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by  
101 increasing community awareness of the illiteracy problem within the Roanoke Valley area.

102 16. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or  
103 consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of  
104 the Internal Revenue Code and which is organized exclusively for the purpose of raising funds for grant  
105 aid to any state, county or municipal library open to the public within the boundaries of the Eighth  
106 Planning District established pursuant to § 15.1-1403.

107 17. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or  
108 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
109 Revenue Code and organized to provide educational and recreational services for at-risk youth and  
110 which maintains a partnership with a magnet school within the boundaries of the Twenty-third Planning  
111 District established pursuant to § 15.1-1403.

112 18. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or  
113 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
114 Revenue Code and organized to provide specialized information and referral services, education  
115 programs and advocacy on behalf of deaf and hard-of-hearing persons within the boundaries of the  
116 Eighth Planning District established pursuant to § 15.1-1403.

117 19. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or  
118 consumption by a nonprofit research, educational, and communications organization exempt from  
119 taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote  
120 highway safety.

121 20. From July 1, 1996, through June 30, 2001, tangible personal property purchased for use or

122 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
123 Revenue Code which designs, equips and operates educational telecommunications networks and  
124 classrooms serving schools and colleges within the Commonwealth and whose activities include  
125 purchasing audio-visual equipment, contracting for transmission services and training teachers.  
126 22. From July 1, 1996, through June 30, 2001, tangible personal property purchased for use or  
127 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal  
128 Revenue Code which is organized for the exclusive purpose of supporting reading education programs  
129 for all Virginia citizens, accomplished through local councils, special interest councils, teacher training  
130 programs and annual conventions where ideas, techniques and methods are shared by educator  
131 members who will use the acquired knowledge in direct reading education.