

1998 SESSION

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HOUSE BILL NO. 548

Offered January 20, 1998

A *BILL* to amend the Code of Virginia by adding a section numbered 58.1-608.4, relating to entitlement to certain sales tax revenues.

Patron—DeBoer

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-608.4 as follows:

§ 58.1-608.4. Entitlement to certain sales tax revenues.

A. As used in this section, unless the context clearly shows otherwise, the term or phrase:

"Meal sales" means sales of those food and beverages which are authorized for local taxation in accordance with § 58.1-3840, which excludes food and beverages sold through vending machines or any 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.

"Sales tax revenues" means such tax collections realized from the Virginia Retail Sales and Use Tax Act (§58.1-600 et seq.) as limited herein. The term "sales tax revenues" does not include the revenue generated by (i) the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly which shall be paid to the Transportation Trust Fund as defined in § 33.1-23.03:1, or (ii) the one percent sales and use tax which is distributed among the counties and cities of the Commonwealth pursuant to § 58.1-638 D based on the school-age population.

"Transient occupancy" means stays at hotels, motels, boarding houses, travel campgrounds, and other facilities offering rooms rented out for continuous occupancy for fewer than thirty consecutive days.

B. From July 1, 1998, through June 30, 2028, any city having a population of not less than 35,000 and no greater than 40,000 shall be entitled to all sales tax revenues generated by transient occupancy and meal sales occurring within such city, notwithstanding any contrary provisions in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). The State Comptroller shall remit such revenues to the city on a quarterly basis, subject to reasonable processing delays which may be required by the Department of Taxation to calculate the actual net sales revenues derived from the transient occupancy and meal sales. Such revenues shall be deposited into the general fund of the eligible cities and shall be used to defray the cost of debt service on the construction of sports facilities and other expenses of the city relating to the attraction of tourists.

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