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HOUSE BILL NO. 81

Offered January 14, 1998

Prefiled January 13, 1998

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

Patron—Cranwell

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 ~~nonprofit~~ college or other institution of learning, 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. (i) Tangible personal property for use or consumption by a college or other institution of learning, including food purchased for free distribution at the facilities of the college or other institution of learning, and (ii) 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 nonprofit.

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 nonprofit.

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 nonprofit.

8. Tangible personal property purchased for use, consumption, or sale at retail by a nonprofit elementary or secondary school, or Parent Teacher Association or other group associated with a nonprofit elementary or secondary school 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 equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept as 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 a nonprofit elementary or secondary school receives a commission or the net

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60 proceeds after the payment of vendors and other direct expenses.

61 9. a. From July 1, 1989, through June 30, 2001, 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, 2001, 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, 2001, 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, 2001, 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, 2001, 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, 2001, 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 a
89 nominal charge.

90 14. From July 1, 1991, through June 30, 2001, 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. From July 1, 1991, through June 30, 2001, 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.

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

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

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

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

117 20. From July 1, 1996, through June 30, 2001, tangible personal property purchased for use or
118 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
119 Revenue Code and organized as a consortium of not less than forty private, historically black colleges
120 and universities for the purposes of raising funds, providing program services, and offering technical
121 services to support its member colleges and universities and their students.

122 21. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
123 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
124 and organized and operated (i) to conduct and publish educational research for public school
125 improvement, reform, and teacher education and (ii) to disseminate such research in the community to
126 encourage residents to take an interest in the teaching and learning activities of local schools.

127 22. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
128 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
129 Revenue Code which designs, equips and operates educational telecommunications networks and
130 classrooms serving schools and colleges within the Commonwealth and whose activities include
131 purchasing audio-visual equipment, contracting for transmission services and training teachers.

132 23. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
133 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
134 Revenue Code which is organized for the exclusive purpose of supporting reading education programs
135 for all Virginia citizens, accomplished through local councils, special interest councils, teacher-training
136 programs and annual conventions where ideas, techniques and methods are shared by educator members
137 who will use the acquired knowledge in direct reading education.

138 24. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
139 consumption by a nonprofit scientific, educational, and charitable organization exempt from taxation
140 under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of
141 emphasizing scientific investigation and holding an annual science fair for students within the boundaries
142 of the Tenth Planning District established pursuant to § 15.1-1403.

143 25. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
144 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
145 Revenue Code and organized to provide residential treatment and educational services to abused children
146 and their families and to operate a Head Start program.

147 26. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
148 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
149 Revenue Code and organized to educate the public about animal agriculture and its importance to the
150 quality of life of citizens, and to support research and education to continuously improve animal
151 agriculture production practices.

152 27. From July 1, 1997, through June 30, 2001, tangible personal property purchased for use or
153 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
154 Revenue Code and organized exclusively to promote and advance the interests of vocational-technical
155 education in the public schools.