

VIRGINIA ACTS OF ASSEMBLY -- 1999 RECONVENED SESSION

CHAPTER 953

An Act to amend and reenact § 58.1-3840 of the Code of Virginia, relating to tax on food and beverages.

[S 968]

Approved April 7, 1999

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3840 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3840. Certain excise taxes permitted.

A. The provisions of Chapter 6 (§ 58.1-600 et seq.) of this title to the contrary notwithstanding, any city or town having general taxing powers established by charter pursuant to or consistent with the provisions of § ~~15.1-841~~ 15.2-1104 may impose excise taxes on cigarettes, admissions, transient room rentals, meals, and travel campgrounds; ~~provided that no such taxes may.~~

B. *No tax levied under this section shall be imposed on food and beverages sold through vending machines or on 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.*

C. *Grocery stores and convenience stores selling prepared foods ready for human consumption at a delicatessen counter shall be subject to the tax on meals for that portion of the grocery store or convenience store selling such items. Any tax levied pursuant to this section on meals sold by grocery store delicatessens and convenience stores shall be limited to prepared sandwiches, beverages prepared on premise, or single-meal platters.* In addition, as set forth in § 63.1-164, no blind person operating a vending stand or other business enterprise under the jurisdiction of the Department for the Visually Handicapped and located on property acquired and used by the United States for any military or naval purpose shall be required to collect and remit meals taxes.

2. That the provisions of this act shall become effective on July 1, 2000, if reenacted by the 2000 Session of the General Assembly. A study may be conducted by the Virginia Municipal League, the Virginia Association of Counties, the Virginia Food Dealers Association, the Virginia Retail Merchants Association, and the Virginia Hospitality and Travel Association, with the support of the Department of Taxation, to determine the impact of a uniform definition of "food" for purposes of the local meals and beverage tax. The Department of Taxation is authorized to obtain the assistance of institutions of higher education in providing support for the study. The results of any study shall be reported to the chairmen of the House and Senate Finance Committees and the Secretary of Finance by December 1, 1999.