

# 1999 SESSION

INTRODUCED

990663129

## HOUSE BILL NO. 1443

Offered January 13, 1999

Prefiled October 16, 1998

A BILL to amend the Code of Virginia by adding in Chapter 6 of Title 58.1 a section numbered 58.1-609.10:1, relating to sales and use tax rate on food products; use of proceeds.

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Patron—Black

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 6 of Title 58.1 a section numbered 58.1-609.10:1 as follows:

§ 58.1-609.10:1. Sales and use tax applied for tax relief or dedicated to school construction and renovation.

On and after July 1, 1999, the tax imposed by this chapter pursuant to the authority granted in §§ 58.1-603 and 58.1-604 on food purchased for preparation and consumption away from the place of purchase shall continue to be three and one-half percent, unless reduced to provide tax relief as provided in paragraph 3 and shall be distributed as follows:

1. One-half of one percent shall be deposited into the Transportation Trust Fund.

2. One percent shall be deposited into a separate fund to be returned to the localities based on each locality's share of school age children.

3. Two percent shall be returned to each locality pursuant to the collection and return of revenue method set forth in Section 58.1-605. The two percent returned shall be used solely for new school construction or new renovation (or to provide payment for existing debt for school construction or renovation to accommodate new debt for new construction or new renovation) unless by ordinance a locality elects to reduce such tax collected within its boundaries, by any one-quarter of one percent up to two percent. A locality electing to make such reduction shall enact an ordinance specifying that the foregone revenues are intended to provide tax relief to citizens of the locality.

4. The Department of Taxation shall promulgate regulations to define "foods purchased for preparation and consumption away from the place of purchase".

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