

990685296

HOUSE BILL NO. 1531

House Amendments in [] — February 8, 1999

A BILL to amend and reenact § 58.1-604 of the Code of Virginia, relating to use tax.

Patrons—Howell, DeBoer, Parrish and Purkey; Senator: Schrock

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-604 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-604. Imposition of use tax.

There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount of three and one-half percent:

1. Of the cost price of each item or article of tangible personal property used or consumed in this Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this Commonwealth for use within six months of its acquisition; but if so brought within this Commonwealth six months or more after its acquisition, such property shall be taxed on the basis of the current market value (but not in excess of its cost price) of such property at the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the cost price or current market value as the duration of time of use within this Commonwealth bears to the total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

2. Of the cost price of each item or article of tangible personal property stored outside this Commonwealth for use or consumption in this Commonwealth.

3- A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under either section.

4. The use tax shall not apply with respect to the use of any article of tangible personal property brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use, while within this Commonwealth.

5- The use tax shall not apply to out-of-state mail order catalog purchases [*by individuals from entities having no nexus with Virginia*] totaling \$~~100~~ 2,500 or less during any calendar year.

[**2. That the provisions of this act shall expire unless reenacted by the 2002 Session of the General Assembly.**

3. That the provisions of this act shall become effective January 1, 2000.

4. That the provisions of this act shall be effective for taxable years beginning on and after January 1, 2000, unless one or more of the events listed in subsection C of § 58.1-3524 has occurred prior to such date. If any one of these events occurs before January 1, 2000, this act shall not become effective for taxable years beginning on and after January 1, 2000, but shall instead become effective for taxable years beginning on and after January 1 of the first year thereafter when none of the events listed in subsection C of § 58.1-3524 have occurred during the immediately preceding calendar year.]

ENGROSSED

HB1531E