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HOUSE BILL NO. 2232

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding a section numbered 58.1-628.1, relating to the rate of retail sales and use tax on food purchased for human consumption.

Patrons—DeBoer, Almand, Johnson, Melvin and Puller

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 58.1-628.1 as follows:

§ 58.1-628.1. Rate of tax on sales of food purchased for human consumption.

A. The tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption shall be levied and distributed as follows:

1. From January 1, 2000, through December 31, 2000, the tax rate on such food shall be two and one-half percent. The revenue from the tax levied at such rate shall be distributed as follows: (i) the revenue from tax at the rate of one-half percent shall be disposed of as provided in subsection A of § 58.1-638; (ii) the revenue from tax at the rate of one percent shall be disposed of as provided in subsections B through D of § 58.1-638; and (iii) the revenue from tax at the rate of one percent shall be used for general fund purposes.

2. On and after January 1, 2001, the tax rate on such food shall be one and one-half percent. The revenue from the tax levied at such rate shall be distributed as follows: (i) the revenue from tax at the rate of one-half percent shall be disposed of as provided in subsection A of § 58.1-638 and (ii) the revenue from tax at the rate of one percent shall be disposed of as provided in subsections B through D of § 58.1-638.

B. The provisions of this section shall not affect the imposition of tax on food purchased for human consumption pursuant to §§ 58.1-605 and 58.1-606.

C. As used in this section, "food purchased for human consumption" means food and food products not otherwise exempt but would be exempt if purchased with coupons issued under the federal Food Stamp Program, 7 U.S.C. § 51, except for seeds and plants which produce food for human consumption.

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