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SENATE BILL NO. 735

Offered January 13, 1999

Prefiled December 18, 1998

A BILL to amend the Code of Virginia by adding a section numbered 58.1-609.11, relating to the rate of retail sales and use tax on food products for home consumption.

Patron—Marye

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 58.1-609.11 as follows:**

§ 58.1-609.11. Rate of tax on sales of food products for home consumption.

A. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, the rate of tax as levied in such sections applicable to food products for home consumption shall be as follows:

1. From July 1, 1999, through June 30, 2000, 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; and

2. Commencing July 1, 2000, 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 products for home consumption pursuant to §§ 58.1-605 and 58.1-606.

C. As used in this section, "food products for home consumption" means food and food products of the type usually sold by a grocer and purchased by consumers for preparation and consumption off the premises where purchased. The term shall not include alcoholic beverages. The Tax Commissioner shall promulgate regulations identifying food products for home consumption.

INTRODUCED

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