

2000 SESSION

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SENATE JOINT RESOLUTION NO. 219

Offered January 24, 2000

Requesting the Department of Taxation to study the ongoing or permanent commercial activities of not-for-profit organizations and the effects of such activities on state revenues.

Patron—Hanger

Referred to Committee on Rules

WHEREAS, the Commonwealth of Virginia enjoys a strong and diverse economy reliant upon free enterprise and commercial activities which create employment, develop commercial infrastructure, and produce tax revenue; and

WHEREAS, the Commonwealth of Virginia also enjoys and relies upon the activities of not-for-profit organizations which provide the Commonwealth with a diverse array of charitable, religious, and social services which improve the quality of life for Virginia citizens; and

WHEREAS, the federal, state, and local governments have created tax laws, regulations, and ordinances to provide for tax exemption and other incentives to help not-for-profit organizations further their charitable work and mission; and

WHEREAS, many tax exemptions and other incentives afforded to not-for-profit organizations have allowed some not-for-profit organizations to enter into ongoing or permanent commercial activities which compete with tax paying, revenue producing activities; and

WHEREAS, recent litigation and complaints indicate that a closer examination of the commercial activities of not-for-profit organizations may be justified; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Department of Taxation, in cooperation with the Commonwealth Competition Council, be requested to study the ongoing or permanent commercial activities of not-for-profit organizations and the effects of such activities on state revenues. All agencies of the Commonwealth shall provide assistance to the Department of Taxation for this study, upon request.

The Department of Taxation shall complete its work in time to submit its findings and recommendations to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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