

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-609.5 of the Code of Virginia, relating to sales and use tax*
3 *exemption; labor or service charges related to rental property.*

4 [H 2236]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-609.5 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-609.5. Service exemptions.**9 The tax imposed by this chapter or pursuant to the authority granted in § 58.1-605 or § 58.1-606
10 shall not apply to the following:11 1. Professional, insurance, or personal service transactions which involve sales as inconsequential
12 elements for which no separate charges are made; services rendered by repairmen for which a separate
13 charge is made; and services not involving an exchange of tangible personal property which provide
14 access to or use of the Internet and any other related electronic communication service, including
15 software, data, content and other information services delivered electronically via the Internet.16 2. An amount separately charged for labor or services rendered in installing, applying, remodeling or,
17 repairing property sold *or rented*.

18 3. Transportation charges separately stated.

19 4. Separately stated charges for alterations to apparel, clothing and garments.

20 5. Charges for gift wrapping services performed by a nonprofit organization.

21 6. An amount separately charged for labor or services rendered in connection with the modification
22 of prewritten programs as defined in § 58.1-602.

23 7. Custom programs as defined in § 58.1-602.

24 8. The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients
25 for more than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds,
26 club, or any other place in which rooms, lodging, space or accommodations are regularly furnished to
27 transients for a consideration.28 9. Beginning January 1, 1996, maintenance contracts, the terms of which provide for both repair or
29 replacement parts and repair labor, shall be subject to tax upon one-half of the total charge for such
30 contracts only. Persons providing maintenance pursuant to such a contract may purchase repair or
31 replacement parts under a resale certificate of exemption. Warranty plans issued by an insurance
32 company, which constitute insurance transactions, are subject to the provisions of subdivision 1 above.

ENROLLED

HB2236ER