

2021 SPECIAL SESSION I

SENATE SUBSTITUTE

21103546D

SENATE BILL NO. 1398

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Finance and Appropriations
on February 2, 2021)

(Patron Prior to Substitute—Senator Norment)

A BILL to amend and reenact §§ 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-3819, as it shall become effective, 58.1-3819.1, 58.1-3823, as it shall become effective, 58.1-3824, 58.1-3825, 58.1-3825.2, 58.1-3825.3, as it shall become effective, 58.1-3826, 58.1-3842, and 58.1-3843 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-2320.2 and 58.1-612.2 and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3818.8, relating to retail sales and transient occupancy taxes on room rentals.

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-3819, as it shall become effective, 58.1-3819.1, 58.1-3823, as it shall become effective, 58.1-3824, 58.1-3825, 58.1-3825.2, 58.1-3825.3, as it shall become effective, 58.1-3826, 58.1-3842, and 58.1-3843 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 2.2-2320.2 and 58.1-612.2 and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3818.8 as follows:

§ 2.2-2320.2. Tourism Promotion Fund.

A. As used in this section:

"Fund" means the Tourism Promotion Fund established under this section.

"Promoting tourism" means activities and expenditures designed to increase tourism in Virginia, including (i) advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; (ii) developing strategies to expand tourism; (iii) funding the promotion or marketing operations of a tourism entity; and (iv) funding marketing and operations of special events and festivals designed to attract tourists.

"Tourism entity" means a locality, a destination marketing organization, or a regional attractions marketing agency.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Tourism Promotion Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose, all revenues accruing to the Fund pursuant to § 58.1-612.2, and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to promote tourism in Virginia as described in subsection D. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Executive Director of the Authority.

C. For each fiscal year, an amount estimated to be equal to the amount of revenue raised by all state taxes imposed under Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 on accommodations fees, as defined in § 58.1-602, shall be appropriated in the general appropriation act to the Fund.

D. The Authority shall administer a program to provide grants from the Fund to tourism entities for the purpose of promoting tourism in Virginia. To be eligible for a grant from the Fund, a tourism entity shall demonstrate that its proposed use of the grant will have a positive and significant impact on tourism in Virginia. Grants shall be subject to the following restrictions:

1. No more than 50 percent of the funds available for disbursement from the Fund during a fiscal year shall be distributed for the purposes of promotion or marketing operations of a tourism entity or for special events or grants.

2. Funding for the promotion or marketing operations of a tourism entity, special events, or grants shall require a 50 percent cash or in-kind match from the grant recipient.

3. Recipients located in the same qualifying region, as defined in § 2.2-2484, shall not be awarded more than 20 percent, in the aggregate of all grants awarded within such region, of the total funds available for disbursement from the Fund during a fiscal year.

4. A single recipient of funding under this section shall not be awarded more than 15 percent of the total funds available for disbursement from the Fund during a fiscal year. This subdivision shall not apply to contracts entered into by the Authority for statewide tourism promotion or marketing.

5. Funds available for disbursement shall not be used for capital projects or for the design, construction, rehabilitation, repair, installation, or purchase of any building, structure, or sign in Virginia.

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60 *E. The Authority shall promulgate guidelines and regulations as it deems necessary to implement this*
61 *section.*

62 **§ 58.1-602. Definitions.**

63 As used in this chapter, unless the context clearly shows otherwise:

64 *"Accommodations" means any room or rooms, lodgings, or accommodations in any hotel, motel, inn,*
65 *tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space,*
66 *or accommodations are regularly furnished to transients for a consideration.*

67 *"Accommodations fee" means the room charge less the discount room charge, if any, provided that*
68 *the accommodations fee shall not be less than \$0.*

69 *"Accommodations intermediary" means any person other than an accommodations provider that*
70 *facilitates the sale of an accommodation, charges a room charge to the customer, and charges an*
71 *accommodations fee to the customer, which fee it retains as compensation for facilitating the sale. For*
72 *purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way*
73 *arranging for the purchase of the right to use accommodations via a transaction directly, including via*
74 *one or more payment processors, between a customer and an accommodations provider.*

75 *"Accommodations intermediary" does not include a person:*

76 *1. If the accommodations are provided by an accommodations provider operating under a trademark,*
77 *trade name, or service mark belonging to such person; or*

78 *2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person*
79 *is equal to the price paid by such person to the accommodations provider for the use of the*
80 *accommodations and (ii) the only compensation received by such person for facilitating the sale of the*
81 *accommodation is a commission paid from the accommodations provider to such person.*

82 *"Accommodations provider" means any person that furnishes accommodations to the general public*
83 *for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to*
84 *use or possess.*

85 *"Advertising" means the planning, creating, or placing of advertising in newspapers, magazines,*
86 *billboards, broadcasting and other media, including, without limitation, the providing of concept, writing,*
87 *graphic design, mechanical art, photography and production supervision. Any person providing*
88 *advertising as defined in this section shall be deemed to be the user or consumer of all tangible personal*
89 *property purchased for use in such advertising.*

90 *"Affiliate" means the same as such term is defined in § 58.1-439.18.*

91 *"Amplification, transmission and distribution equipment" means, but is not limited to, production,*
92 *distribution, and other equipment used to provide Internet-access services, such as computer and*
93 *communications equipment and software used for storing, processing and retrieving end-user subscribers'*
94 *requests.*

95 *"Business" includes any activity engaged in by any person, or caused to be engaged in by him, with*
96 *the object of gain, benefit or advantage, either directly or indirectly.*

97 *"Cost price" means the actual cost of an item or article of tangible personal property computed in the*
98 *same manner as the sales price as defined in this section without any deductions therefrom on account*
99 *of the cost of materials used, labor, or service costs, transportation charges, or any expenses whatsoever.*

100 *"Custom program" means a computer program that is specifically designed and developed only for*
101 *one customer. The combining of two or more prewritten programs does not constitute a custom*
102 *computer program. A prewritten program that is modified to any degree remains a prewritten program*
103 *and does not become custom.*

104 *"Discount room charge" means the full amount charged by the accommodations provider to the*
105 *accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.*

106 *"Distribution" means the transfer or delivery of tangible personal property for use, consumption, or*
107 *storage by the distributee, and the use, consumption, or storage of tangible personal property by a*
108 *person that has processed, manufactured, refined, or converted such property, but does not include the*
109 *transfer or delivery of tangible personal property for resale or any use, consumption, or storage*
110 *otherwise exempt under this chapter.*

111 *"Gross proceeds" means the charges made or voluntary contributions received for the lease or rental*
112 *of tangible personal property or for furnishing services, computed with the same deductions, where*
113 *applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use,*
114 *but not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying*
115 *charges, service charges, or interest from credit extended on the lease or rental of tangible personal*
116 *property under conditional lease or rental contracts or other conditional contracts providing for the*
117 *deferred payments of the lease or rental price.*

118 *"Gross sales" means the sum total of all retail sales of tangible personal property or services as*
119 *defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not*
120 *include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the*
121 *Internal Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the*

122 article, or the Virginia retail sales or use tax, or any sales or use tax imposed by any county or city
123 under § 58.1-605 or 58.1-606.

124 "Import" and "imported" are words applicable to tangible personal property imported into the
125 Commonwealth from other states as well as from foreign countries, and "export" and "exported" are
126 words applicable to tangible personal property exported from the Commonwealth to other states as well
127 as to foreign countries.

128 "In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth
129 of Virginia and includes all territory within these limits owned by or ceded to the United States of
130 America.

131 "Integrated process," when used in relation to semiconductor manufacturing, means a process that
132 begins with the research or development of semiconductor products, equipment, or processes, includes
133 the handling and storage of raw materials at a plant site, and continues to the point that the product is
134 packaged for final sale and either shipped or conveyed to a warehouse. Without limiting the foregoing,
135 any semiconductor equipment, fuel, power, energy, supplies, or other tangible personal property shall be
136 deemed used as part of the integrated process if its use contributes, before, during, or after production,
137 to higher product quality, production yields, or process efficiencies. Except as otherwise provided by
138 law, "integrated process" does not mean general maintenance or administration.

139 "Internet" means collectively, the myriad of computer and telecommunications facilities, which
140 comprise the interconnected worldwide network of computer networks.

141 "Internet service" means a service that enables users to access proprietary and other content,
142 information electronic mail, and the Internet as part of a package of services sold to end-user
143 subscribers.

144 "Lease or rental" means the leasing or renting of tangible personal property and the possession or use
145 thereof by the lessee or renter for a consideration, without transfer of the title to such property.

146 "Manufacturing, processing, refining, or conversion" includes the production line of the plant starting
147 with the handling and storage of raw materials at the plant site and continuing through the last step of
148 production where the product is finished or completed for sale and conveyed to a warehouse at the
149 production site, and also includes equipment and supplies used for production line testing and quality
150 control. "Manufacturing" also includes the necessary ancillary activities of newspaper and magazine
151 printing when such activities are performed by the publisher of any newspaper or magazine for sale
152 daily or regularly at average intervals not exceeding three months.

153 The determination of whether any manufacturing, mining, processing, refining or conversion activity
154 is industrial in nature shall be made without regard to plant size, existence or size of finished product
155 inventory, degree of mechanization, amount of capital investment, number of employees or other factors
156 relating principally to the size of the business. Further, "industrial in nature" includes, but is not limited
157 to, those businesses classified in codes 10 through 14 and 20 through 39 published in the Standard
158 Industrial Classification Manual for 1972 and any supplements issued thereafter.

159 "Modular building" means, but is not limited to, single and multifamily houses, apartment units,
160 commercial buildings, and permanent additions thereof, comprised of one or more sections that are
161 intended to become real property, primarily constructed at a location other than the permanent site, built
162 to comply with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the
163 Virginia Department of Housing and Community Development, and shipped with most permanent
164 components in place to the site of final assembly. For purposes of this chapter, "modular building" does
165 not include a mobile office as defined in § 58.1-2401 or any manufactured building subject to and
166 certified under the provisions of the National Manufactured Housing Construction and Safety Standards
167 Act of 1974 (42 U.S.C. § 5401 et seq.).

168 "Modular building manufacturer" means a person that owns or operates a manufacturing facility and
169 is engaged in the fabrication, construction and assembling of building supplies and materials into
170 modular buildings, as defined in this section, at a location other than at the site where the modular
171 building will be assembled on the permanent foundation and may or may not be engaged in the process
172 of affixing the modules to the foundation at the permanent site.

173 "Modular building retailer" means any person that purchases or acquires a modular building from a
174 modular building manufacturer, or from another person, for subsequent sale to a customer residing
175 within or outside of the Commonwealth, with or without installation of the modular building to the
176 foundation at the permanent site.

177 "Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of
178 the Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all
179 applicable motor vehicle sales and use taxes have been paid.

180 "Occasional sale" means a sale of tangible personal property not held or used by a seller in the
181 course of an activity for which it is required to hold a certificate of registration, including the sale or
182 exchange of all or substantially all the assets of any business and the reorganization or liquidation of

183 any business, provided that such sale or exchange is not one of a series of sales and exchanges
184 sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of
185 registration.

186 "Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for
187 purposes of this chapter only, also includes Internet service regardless of whether the provider of such
188 service is also a telephone common carrier.

189 "Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation,
190 joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver,
191 auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit, body
192 politic or political subdivision, whether public or private, or quasi-public, and the plural of "person"
193 means the same as the singular.

194 "Prewritten program" means a computer program that is prepared, held or existing for general or
195 repeated sale or lease, including a computer program developed for in-house use and subsequently sold
196 or leased to unrelated third parties.

197 "Qualifying locality" means Charlotte County, Gloucester County, Halifax County, Henry County,
198 Mecklenburg County, Northampton County, Patrick County, Pittsylvania County, or the City of Danville.

199 "Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of
200 every kind and description, and all other equipment determined by the Tax Commissioner to constitute
201 railroad rolling stock.

202 "Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to
203 require registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612
204 or any software provider acting on behalf of such dealer.

205 "Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in
206 the form of tangible personal property or services taxable under this chapter, and shall include any such
207 transaction as the Tax Commissioner upon investigation finds to be in lieu of a sale. All sales for resale
208 must be made in strict compliance with regulations applicable to this chapter. Any dealer making a sale
209 for resale which is not in strict compliance with such regulations shall be personally liable for payment
210 of the tax.

211 The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges
212 for any room or rooms, lodgings, or accommodations furnished to transients for less than 90 continuous
213 days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in
214 which rooms, lodging, space, or accommodations are regularly furnished to transients for a
215 consideration; (ii) sales of tangible personal property to persons for resale when because of the operation
216 of the business, or its very nature, or the lack of a place of business in which to display a certificate of
217 registration, or the lack of a place of business in which to keep records, or the lack of adequate records,
218 or because such persons are minors or transients, or because such persons are engaged in essentially
219 service businesses, or for any other reason there is likelihood that the Commonwealth will lose tax funds
220 due to the difficulty of policing such business operations; (iii) the separately stated charge made for
221 automotive refinish repair materials that are permanently applied to or affixed to a motor vehicle during
222 its repair; and (iv) the separately stated charge for equipment available for lease or purchase by a
223 provider of satellite television programming to the customer of such programming. Equipment sold to a
224 provider of satellite television programming for subsequent lease or purchase by the customer of such
225 programming shall be deemed a sale for resale. The Tax Commissioner is authorized to promulgate
226 regulations requiring vendors of or sellers to such persons to collect the tax imposed by this chapter on
227 the cost price of such tangible personal property to such persons and may refuse to issue certificates of
228 registration to such persons. The terms "retail sale" and a "sale at retail" also specifically include the
229 separately stated charge made for supplies used during automotive repairs whether or not there is
230 transfer of title or possession of the supplies and whether or not the supplies are attached to the
231 automobile. The purchase of such supplies by an automotive repairer for sale to the customer of such
232 repair services shall be deemed a sale for resale.

233 The term "transient" does not include a purchaser of camping memberships, time-shares,
234 condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in,
235 real estate, however created or sold and whether registered with the Commonwealth or not. Further, a
236 purchaser of a right or license which entitles the purchaser to use the amenities and facilities of a
237 specific real estate project on an ongoing basis throughout its term shall not be deemed a transient,
238 provided, however, that the term or time period involved is for seven years or more.

239 The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal
240 property after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i)
241 at the time of purchase, the purchaser is obligated, under the terms of a written contract, to make the
242 transfer and (ii) the transfer is made for the same or a greater consideration to the person for whom the
243 purchaser manufactures goods.

244 "Retailer" means every person engaged in the business of making sales at retail, or for distribution,

245 use, consumption, or storage to be used or consumed in the Commonwealth.

246 *"Room charge" means the full retail price charged to the customer by the accommodations*
 247 *intermediary for the use of the accommodations, including any accommodations fee, before taxes. The*
 248 *room charge shall be determined in accordance with 23VAC10-210-730 and the related rulings of the*
 249 *Department on the same.*

250 "Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional
 251 or otherwise, in any manner or by any means whatsoever, of tangible personal property and any
 252 rendition of a taxable service for a consideration, and includes the fabrication of tangible personal
 253 property for consumers who furnish, either directly or indirectly, the materials used in fabrication, and
 254 the furnishing, preparing, or serving for a consideration of any tangible personal property consumed on
 255 the premises of the person furnishing, preparing, or serving such tangible personal property. A
 256 transaction whereby the possession of property is transferred but the seller retains title as security for the
 257 payment of the price shall be deemed a sale.

258 "Sales price" means the total amount for which tangible personal property or services are sold,
 259 including any services that are a part of the sale, valued in money, whether paid in money or otherwise,
 260 and includes any amount for which credit is given to the purchaser, consumer, or lessee by the dealer,
 261 without any deduction therefrom on account of the cost of the property sold, the cost of materials used,
 262 labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any
 263 cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from
 264 credit extended on sales of tangible personal property under conditional sale contracts or other
 265 conditional contracts providing for deferred payments of the purchase price; (iii) separately stated local
 266 property taxes collected; (iv) that portion of the amount paid by the purchaser as a discretionary gratuity
 267 added to the price of a meal; or (v) that portion of the amount paid by the purchaser as a mandatory
 268 gratuity or service charge added by a restaurant to the price of a meal, but only to the extent that such
 269 mandatory gratuity or service charge does not exceed 20 percent of the price of the meal. Where used
 270 articles are taken in trade, or in a series of trades as a credit or part payment on the sale of new or used
 271 articles, the tax levied by this chapter shall be paid on the net difference between the sales price of the
 272 new or used articles and the credit for the used articles.

273 "Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring,
 274 lighting, equipment, and all other property used to reduce contamination or to control airflow,
 275 temperature, humidity, vibration, or other environmental conditions required for the integrated process of
 276 semiconductor manufacturing.

277 "Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii)
 278 the related accessories, components, pedestals, bases, or foundations used in connection with the
 279 operation of the equipment, without regard to the proximity to the equipment, the method of attachment,
 280 or whether the equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other
 281 property or supplies used to install, test, calibrate or recalibrate, characterize, condition, measure, or
 282 maintain the equipment and settings thereof; and (iv) equipment and supplies used for quality control
 283 testing of product, materials, equipment, or processes; or the measurement of equipment performance or
 284 production parameters regardless of where or when the quality control, testing, or measuring activity
 285 takes place, how the activity affects the operation of equipment, or whether the equipment and supplies
 286 come into contact with the product.

287 "Storage" means any keeping or retention of tangible personal property for use, consumption or
 288 distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of
 289 business.

290 "Tangible personal property" means personal property that may be seen, weighed, measured, felt, or
 291 touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not
 292 include stocks, bonds, notes, insurance or other obligations or securities. "Tangible personal property"
 293 includes (i) telephone calling cards upon their initial sale, which shall be exempt from all other state and
 294 local utility taxes, and (ii) manufactured signs.

295 "Use" means the exercise of any right or power over tangible personal property incident to the
 296 ownership thereof, except that it does not include the sale at retail of that property in the regular course
 297 of business. "Use" does not include the exercise of any right or power, including use, distribution, or
 298 storage, over any tangible personal property sold to a nonresident donor for delivery outside of the
 299 Commonwealth to a nonresident recipient pursuant to an order placed by the donor from outside the
 300 Commonwealth via mail or telephone. "Use" does not include any sale determined to be a gift
 301 transaction, subject to tax under § 58.1-604.6.

302 "Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in
 303 this section.

304 "Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to
 305 those activities that are an integral part of the production of a product, including all steps of an

306 integrated manufacturing or mining process, but not including ancillary activities such as general
 307 maintenance or administration. When used in relation to mining, "used directly" refers to the activities
 308 specified in this definition and, in addition, any reclamation activity of the land previously mined by the
 309 mining company required by state or federal law.

310 "Video programmer" means a person that provides video programming to end-user subscribers.

311 "Video programming" means video and/or information programming provided by or generally
 312 considered comparable to programming provided by a cable operator, including, but not limited to,
 313 Internet service.

314 **§ 58.1-603. (Contingent expiration date) Imposition of sales tax.**

315 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now
 316 imposed by law, a license or privilege tax upon every person who engages in the business of selling at
 317 retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of
 318 the things or services taxable under this chapter, or who stores for use or consumption in this
 319 Commonwealth any item or article of tangible personal property as defined in this chapter, or who
 320 leases or rents such property within this Commonwealth, in the amount of 4.3 percent:

321 1. Of the gross sales price of each item or article of tangible personal property when sold at retail or
 322 distributed in this Commonwealth.

323 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the
 324 lease or rental of such property is an established business, or part of an established business, or the
 325 same is incidental or germane to such business.

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

328 4. Of the gross proceeds derived from the sale or charges for ~~rooms, lodgings or~~ accommodations
 329 furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

330 5. Of the gross sales of any services that are expressly stated as taxable within this chapter.

331 **§ 58.1-603. (Contingent effective date) Imposition of sales tax.**

332 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now
 333 imposed by law, a license or privilege tax upon every person who engages in the business of selling at
 334 retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of
 335 the things or services taxable under this chapter, or who stores for use or consumption in this
 336 Commonwealth any item or article of tangible personal property as defined in this chapter, or who
 337 leases or rents such property within this Commonwealth, in the amount of three and one-half percent
 338 through midnight on July 31, 2004, and four percent beginning on and after August 1, 2004:

339 1. Of the gross sales price of each item or article of tangible personal property when sold at retail or
 340 distributed in this Commonwealth.

341 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the
 342 lease or rental of such property is an established business, or part of an established business, or the
 343 same is incidental or germane to such business.

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

346 4. Of the gross proceeds derived from the sale or charges for ~~rooms, lodgings or~~ accommodations
 347 furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

348 5. Of the gross sales of any services which are expressly stated as taxable within this chapter.

349 **§ 58.1-612.2. Tax collectible from accommodations providers and intermediaries.**

350 A. For any retail sale of accommodations not facilitated by an accommodations intermediary, the
 351 accommodations provider shall collect the retail sales and use taxes imposed in accordance with this
 352 chapter, computed on the total charges for the accommodations, and shall remit the same to the
 353 Department and shall be liable for the same.

354 B. For any retail sale of accommodations facilitated by an accommodations intermediary, the
 355 accommodations intermediary shall be deemed under this chapter as a dealer making a retail sale of an
 356 accommodation. The accommodations intermediary shall collect the retail sales and use taxes imposed
 357 in accordance with this chapter, computed on the room charge. When the accommodations are at a
 358 hotel, the accommodations intermediary shall remit the taxes on the accommodations fee to the
 359 Department and shall remit any remaining taxes to the hotel, which shall remit such taxes to the
 360 Department. When the accommodations are at a short-term rental, as defined in § 15.2-983, or at any
 361 other accommodations, the accommodations intermediary shall remit the taxes on the room charge to
 362 the Department.

363 C. An accommodations intermediary shall not be liable for retail sales and use taxes remitted to an
 364 accommodations provider but that are not then remitted to the Department by the accommodations
 365 provider. For any retail sale of accommodations facilitated by an accommodations intermediary, an
 366 accommodations provider shall be liable for that portion of retail sales and use taxes that relates to the
 367 discount room charge only to the extent that the accommodations intermediary has remitted such taxes

368 to the accommodations provider.

369 D. For any retail sale of accommodations facilitated by an accommodations intermediary, nothing
370 herein shall relieve the accommodations provider from liability for retail sales and use taxes on any
371 amounts charged directly to the customer by the accommodations provider that are not collected by the
372 accommodations intermediary.

373 E. For any retail sale of accommodations not facilitated by an accommodations intermediary, the
374 accommodations provider shall separately state the amount of the tax on the bill, invoice, or similar
375 documentation and shall add the tax to the total charges charged to the transient by the
376 accommodations provider. For any retail sale of accommodations facilitated by an accommodations
377 intermediary, the accommodations intermediary shall separately state the amount of the tax on the bill,
378 invoice, or similar documentation and shall add the tax to the room charge; thereafter, such tax shall
379 be a debt from the customer to the accommodations intermediary, recoverable at law in the same
380 manner as other debts.

381 **§ 58.1-3818.8. Definitions.**

382 As used in this article, unless the context requires a different meaning:

383 "Accommodations" means any room or space for which tax is imposed on the retail sale of the same
384 pursuant to this article.

385 "Accommodations fee" means the same as such term is defined in § 58.1-602.

386 "Accommodations intermediary" means the same as such term is defined in § 58.1-602.

387 "Accommodations provider" means the same as such term is defined in § 58.1-602.

388 "Affiliate" means the same as such term is defined in § 58.1-439.18.

389 "Discount room charge" means the same as such term is defined in § 58.1-602.

390 "Retail sale" means a sale to any person for any purpose other than for resale.

391 "Room charge" means the same as such term is defined in § 58.1-602.

392 **§ 58.1-3819. (Effective May 1, 2021) Transient occupancy tax.**

393 A. 1. Any county, by duly adopted ordinance, may levy a transient occupancy tax on hotels, motels,
394 boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous
395 occupancy for fewer than 30 consecutive days. *The tax shall be imposed on the total price paid by the*
396 *customer for the use or possession of the room or space occupied in a retail sale.* Such tax shall be in
397 such amount and on such terms as the governing body may, by ordinance, prescribe.

398 2. Unless otherwise provided in this article, any county that imposes a transient occupancy tax at a
399 rate greater than two percent shall, by ordinance, provide that (i) any excess from a rate over two
400 percent shall be designated and spent solely for such purpose as was authorized under this article prior
401 to January 1, 2020, or (ii) if clause (i) is inapplicable, any excess from a rate over two percent but not
402 exceeding five percent shall be designated and spent solely for tourism and travel, marketing of tourism
403 or initiatives that, as determined after consultation with the local tourism industry organizations,
404 including representatives of lodging properties located in the county, attract travelers to the locality,
405 increase occupancy at lodging properties, and generate tourism revenues in the locality. Unless otherwise
406 provided in this article, for any county that imposes a transient occupancy tax pursuant to this section or
407 an additional transient occupancy tax pursuant to another provision of this article, any excess over five
408 percent, combining the rates of all taxes imposed pursuant to this article, shall not be restricted in its use
409 and may be spent in the same manner as general revenues. If any locality has enacted an additional
410 transient occupancy tax pursuant to subsection C of § 58.1-3823, then the governing body of the locality
411 shall be deemed to have complied with the requirement that it consult with local tourism industry
412 organizations, including lodging properties. If there are no local tourism industry organizations in the
413 locality, the governing body shall hold a public hearing prior to making any determination relating to
414 how to attract travelers to the locality and generate tourism revenues in the locality.

415 B. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied
416 by the same individual or same group of individuals for 30 or more days in hotels, motels, boarding
417 houses, travel campgrounds, and other facilities offering guest rooms. In addition, that portion of any tax
418 imposed hereunder in excess of two percent shall not apply to travel campgrounds in Stafford County.

419 C. Nothing herein contained shall affect any authority heretofore granted to any county, city or town
420 to levy such a transient occupancy tax. The county tax limitations imposed pursuant to § 58.1-3711 shall
421 apply to any tax levied under this section, mutatis mutandis.

422 D. Any county, city or town that requires local hotel and motel businesses, or any class thereof, to
423 collect, account for and remit to such locality a local tax imposed on the consumer may allow such
424 businesses a commission for such service in the form of a deduction from the tax remitted. Such
425 commission shall be provided for by ordinance, which shall set the rate thereof at no less than three
426 percent and not to exceed five percent of the amount of tax due and accounted for. No commission shall
427 be allowed if the amount due was delinquent.

428 E. All transient occupancy tax collections shall be deemed to be held in trust for the county, city or

429 town imposing the tax.

430 **§ 58.1-3819.1. Transient occupancy tax; Roanoke County.**

431 1. Notwithstanding any other provision of law, general or special, and in lieu of any authority to
432 impose a transient occupancy tax in any other provision of law, general or special, Roanoke County may
433 impose a total transient occupancy tax not to exceed seven percent of the amount of the charge for the
434 occupancy of any room or space occupied or for the occupancy of any overnight guest room total price
435 paid by the customer for the use or possession of any room, space, or overnight guest room occupied in
436 a retail sale. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously
437 occupied by the same individual or same group of individuals for 30 or more days.

438 2. The revenue generated and collected from the two percent tax rate increase shall be designated
439 and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by
440 members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this subsection,
441 "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that
442 is intended to attract visitors from a sufficient distance so as to require an overnight stay.

443 **§ 58.1-3823. (Effective May 1, 2021) Additional transient occupancy tax for certain counties.**

444 A. Hanover County, Chesterfield County and Henrico County may impose:

445 1. An additional transient occupancy tax not to exceed four percent of the amount of the charge for
446 the occupancy of any room or space occupied total price paid by the customer for the use or possession
447 of any room or space occupied in a retail sale. The tax imposed hereunder shall not apply to rooms or
448 spaces rented and continuously occupied by the same individual or same group of individuals for 30 or
449 more days. The revenues collected from the additional tax shall be designated and spent for promoting
450 tourism, travel or business that generates tourism or travel in the Richmond metropolitan area; and

451 2. An additional transient occupancy tax not to exceed two percent of the amount of the charge for
452 the occupancy of any room or space occupied total price paid by the customer for the use or possession
453 of any room or space occupied in a retail sale. The tax imposed hereunder shall not apply to rooms or
454 spaces rented and continuously occupied by the same individual or same group of individuals for 30 or
455 more days. The revenues collected from the additional tax shall be designated and spent for expanding
456 the Richmond Centre, a convention and exhibition facility in the City of Richmond.

457 3. An additional transient occupancy tax not to exceed one percent of the amount of the charge for
458 the occupancy of any room or space occupied total price paid by the customer for the use or possession
459 of any room or space occupied in a retail sale. The tax imposed hereunder shall not apply to rooms or
460 spaces rented and continuously occupied by the same individual or group of individuals for 30 or more
461 days. The revenues collected from the additional tax shall be designated and spent for the development
462 and improvement of the Virginia Performing Arts Foundation's facilities in Richmond, for promoting the
463 use of the Richmond Centre and for promoting tourism, travel or business that generates tourism and
464 travel in the Richmond metropolitan area.

465 B. Any county with the county manager plan of government may impose an additional transient
466 occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or
467 space occupied total price paid by the customer for the use or possession of any room or space
468 occupied in a retail sale, provided that the county's governing body approves the construction of a
469 county conference center. The tax imposed hereunder shall not apply to rooms or spaces rented and
470 continuously occupied by the same individual or same group of individuals for 30 or more days. The
471 revenues collected from the additional tax shall be designated and spent for the design, construction,
472 debt payment, and operation of such conference center.

473 C. (For expiration date, see Acts 2018, c. 850) The Counties of James City and York may impose an
474 additional transient occupancy tax for the use or possession of any overnight guest room in an amount
475 not to exceed \$2 per room per night for the occupancy of any overnight guest room. The tax imposed
476 by this subsection shall not apply to travel campground sites or to rooms or spaces rented and
477 continuously occupied by the same individual or same group of individuals for 30 or more days. Of the
478 revenues generated by the tax authorized by this subsection, one-half of the revenues generated from
479 each night of occupancy of an overnight guest room shall be deposited into the Historic Triangle
480 Marketing Fund, created pursuant to subdivision E 1 of § 58.1-603.2, and one-half of the revenues shall
481 be retained by the locality in which the tax is imposed.

482 C. (For effective date, see Acts 2018, c. 850) 1. The Counties of James City and York may impose
483 an additional transient occupancy tax for the use or possession of any overnight guest room in an
484 amount not to exceed \$2 per room per night for the occupancy of any overnight guest room. The
485 revenues collected from the additional tax shall be designated and expended solely for advertising the
486 Historic Triangle area, which includes all of the City of Williamsburg and the Counties of James City
487 and York, as an overnight tourism destination by the members of the Williamsburg Area Destination
488 Marketing Committee of the Greater Williamsburg Chamber and Tourism Alliance. The tax imposed by
489 this subsection shall not apply to travel campground sites or to rooms or spaces rented and continuously
490 occupied by the same individual or same group of individuals for 30 or more days.

491 2. The Williamsburg Area Destination Marketing Committee shall consist of the members as
492 provided herein. The governing bodies of the City of Williamsburg, the County of James City, and the
493 County of York shall each designate one of their members to serve as members of the Williamsburg
494 Area Destination Marketing Committee. These three members of the Committee shall have two votes
495 apiece. In no case shall a person who is a member of the Committee by virtue of the designation of a
496 local governing body be eligible to be selected a member of the Committee pursuant to subdivision a.

497 a. Further, one member of the Committee shall be selected by the Board of Directors of the
498 Williamsburg Hotel and Motel Association; one member of the Committee shall be from The Colonial
499 Williamsburg Foundation and shall be selected by the Foundation; one member of the Committee shall
500 be an employee of Busch Gardens Europe/Water Country USA and shall be selected by Busch Gardens
501 Europe/Water Country USA; one member of the Committee shall be from the Jamestown-Yorktown
502 Foundation and shall be selected by the Foundation; one member of the Committee shall be selected by
503 the Executive Committee of the Greater Williamsburg Chamber and Tourism Alliance; and one member
504 of the Committee shall be the President and Chief Executive Officer of the Virginia Tourism Authority
505 who shall serve ex officio. Each of these six members of the Committee shall have one vote apiece. The
506 President of the Greater Williamsburg Chamber and Tourism Alliance shall serve ex officio with
507 nonvoting privileges unless chosen by the Executive Committee of the Greater Williamsburg Chamber
508 and Tourism Alliance to serve as its voting representative. The Executive Director of the Williamsburg
509 Hotel and Motel Association shall serve ex officio with nonvoting privileges unless chosen by the Board
510 of Directors of the Williamsburg Hotel and Motel Association to serve as its voting representative.

511 In no case shall more than one person of the same local government, including the governing body
512 of the locality, serve as a member of the Committee at the same time.

513 If at any time a person who has been selected to the Committee by other than a local governing
514 body becomes or is (a) a member of the local governing body of the City of Williamsburg, the County
515 of James City, or the County of York, or (b) an employee of one of such local governments, the person
516 shall be ineligible to serve as a member of the Committee while a member of the local governing body
517 or an employee of one of such local governments. In such case, the body that selected the person to
518 serve as a member of the Commission shall promptly select another person to serve as a member of the
519 Committee.

520 3. The Williamsburg Area Destination Marketing Committee shall maintain all authorities granted by
521 this section. The Greater Williamsburg Chamber and Tourism Alliance shall serve as the fiscal agent for
522 the Williamsburg Area Destination Marketing Committee with specific responsibilities to be defined in a
523 contract between such two entities. The contract shall include provisions to reimburse the Greater
524 Williamsburg Chamber and Tourism Alliance for annual audits and any other agreed-upon expenditures.
525 The Williamsburg Area Destination Marketing Committee shall also contract with the Greater
526 Williamsburg Chamber and Tourism Alliance to provide administrative support services as the entities
527 shall mutually agree.

528 4. The provisions in subdivision 2 relating to the composition and voting powers of the Williamsburg
529 Area Destination Marketing Committee shall be a condition of the authority to impose the tax provided
530 herein.

531 For purposes of this subsection, "advertising the Historic Triangle area" as an overnight tourism
532 destination means advertising that is intended to attract visitors from a sufficient distance so as to
533 require an overnight stay of at least one night.

534 D. Bedford County may impose an additional transient occupancy tax not to exceed two percent of
535 the amount of the charge for the occupancy of any room or space occupied total price paid by the
536 customer for the use or possession of any room or space occupied in a retail sale. The tax imposed
537 hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual
538 or same group of individuals for 30 or more days.

539 The revenues collected from the additional tax shall be designated and spent solely for tourism and
540 travel; marketing of tourism; or initiatives that, as determined after consultation with local tourism
541 industry organizations, including representatives of lodging properties located in the county, attract
542 travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the
543 locality.

544 E. Botetourt County may impose an additional transient occupancy tax not to exceed two percent of
545 the amount of the charge for the occupancy of any room or space occupied total price paid by the
546 customer for the use or possession of any room or space occupied in a retail sale. The tax imposed
547 hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual
548 or same group of individuals for 30 or more days.

549 The revenue generated and collected from the two percent tax rate increase shall be designated and
550 expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by
551 members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this subsection,

552 "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that
 553 is intended to attract visitors from a sufficient distance so as to require an overnight stay.

554 F. The county tax limitations imposed pursuant to § 58.1-3711 shall apply to any tax levied under
 555 this section, mutatis mutandis.

556 G. The authority to impose a tax pursuant to this section shall be in addition to the authority
 557 provided by the provisions of § 58.1-3819.

558 **§ 58.1-3824. Additional transient occupancy tax in Fairfax County.**

559 In addition to such transient occupancy taxes as are authorized by this chapter, beginning July 1,
 560 2004, Fairfax County may impose an additional transient occupancy tax not to exceed two percent of
 561 the amount of charge for the occupancy of any room or space occupied; total price paid by the
 562 customer for the use or possession of any room or space occupied in a retail sale, provided that the
 563 board of supervisors of the County appropriates the revenues collected from such tax as follows:

564 1. No more than 75 percent of such revenues shall be designated for and appropriated to Fairfax
 565 County to be spent for tourism promotion in the County after consultation with local tourism industry
 566 organizations and in support of the local tourism industry; and

567 2. The remaining portion of such revenues shall be designated for and appropriated to a nonprofit
 568 convention and visitor's bureau located in Fairfax County.

569 The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by
 570 the same individual or same group of individuals for 30 or more days.

571 For purposes of this section, "tourism promotion" means direct funding designated and spent solely
 572 for tourism, marketing of tourism or initiatives that, as determined in consultation with the local tourism
 573 industry organizations, attract travelers to the locality and generate tourism revenues in the locality.

574 **§ 58.1-3825. Additional transient occupancy tax in Rockbridge County and the Cities of**
 575 **Lexington and Buena Vista.**

576 In addition to such transient occupancy taxes as are authorized by this chapter, Rockbridge County
 577 and the Cities of Lexington and Buena Vista may impose an additional transient occupancy tax not to
 578 exceed two percent of the amount of charge for the occupancy of any room or space occupied total
 579 price paid by the customer for the use or possession of any room or space occupied in a retail sale.

580 The authority to impose such tax is hereby individually granted to the local governing bodies of such
 581 county and cities. However, if such tax is adopted, the local governing body of such county or cities
 582 adopting the tax shall appropriate the revenues collected therefrom to the Virginia Horse Center
 583 Foundation to be used by the Foundation for the sole purpose of making principal and interest payments
 584 on a promissory note or notes signed or executed by the Virginia Horse Center Foundation or the
 585 Virginia Equine Center Foundation prior to January 1, 2004, with the Rockbridge Industrial
 586 Development Authority as the obligee or payee, as part of an agreement for the Authority to issue bonds
 587 on behalf of or for improvements at the Virginia Horse Center Foundation, Virginia Equine Center
 588 Foundation, or Virginia Equine Center.

589 For purposes of this section, such note or notes signed or executed prior to January 1, 2004, shall
 590 include any notes or other indebtedness incurred to refinance such note or notes, regardless of the date
 591 of refinancing, provided that such refinancing shall not include any debt or the payment of any debt for
 592 any activity relating to the Virginia Horse Center Foundation, Virginia Equine Center Foundation, or
 593 Virginia Equine Center that occurs on or after January 1, 2004.

594 The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by
 595 the same individual or same group of individuals for 30 or more days. Such tax may no longer be
 596 imposed in such county or such cities after final payment of the note or notes described herein.

597 **§ 58.1-3825.2. Additional transient occupancy tax in Bath County.**

598 A. In addition to such transient occupancy tax as is authorized by § 58.1-3819, Bath County may
 599 impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for
 600 the occupancy of any room or space occupied total price paid by the customer for the use or possession
 601 of any room or space occupied in a retail sale.

602 B. The revenues collected from the additional tax shall be designated and spent as follows:

603 1. One-half of such revenue shall be designated and spent solely for tourism and travel, marketing of
 604 tourism, or initiatives that, as determined after consultation with the local tourism industry organizations,
 605 attract travelers to the locality and generate tourism revenues in the locality. If there are no local tourism
 606 industry organizations in the locality, the governing body shall hold a public hearing prior to making
 607 any determination relating to how to attract travelers to the locality and generate tourism revenues in the
 608 locality.

609 2. One-half of such revenue shall be designated and spent solely for the design, operation,
 610 construction, improvement, acquisition, and debt service for such expenses on debt incurred after June
 611 30, 2009, of tourism facilities, historic sites, beautification projects, promotion of the arts, regional
 612 tourism marketing efforts, capital costs related to travel and transportation including air service, public
 613 parks and recreation, and information centers that attract travelers to the locality and generate tourism

614 revenues in the locality.

615 C. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied
616 by the same individual or same group of individuals for 30 or more days in hotels, motels, boarding
617 houses, travel campgrounds, and other facilities offering guest rooms.

618 D. If Bath County requires local hotel and motel businesses, or any class thereof, to collect, account
619 for, and remit the tax imposed pursuant to this section, the County may allow such businesses a
620 commission for such service in the form of a deduction from the tax remitted. Such commission shall be
621 provided for by ordinance, which shall set the rate thereof, no less than three percent and not to exceed
622 five percent of the amount of tax due and accounted for. No commission shall be allowed if the amount
623 due is delinquent.

624 E. All tax collections pursuant to this section shall be deemed to be held in trust for Bath County.

625 **§ 58.1-3825.3. (Effective May 1, 2021) Additional transient occupancy tax in Arlington County.**

626 In addition to the transient occupancy tax authorized by § 58.1-3819, Arlington County may impose
627 an additional transient occupancy tax not to exceed one-fourth of one percent of the ~~amount~~ of the
628 ~~charge for the occupancy of any room or space occupied~~ *total price paid by the customer for the use or*
629 *possession of any room or space occupied in a retail sale.* The revenues collected from the additional
630 tax shall be designated and spent for the purpose of promoting tourism and business travel in the
631 county.

632 **§ 58.1-3826. Scope of transient occupancy tax.**

633 A. The transient occupancy tax imposed pursuant to the authority of this article shall be imposed
634 only for the ~~occupancy~~ *use or possession* of any room or space that is suitable or intended for
635 occupancy by transients for dwelling, lodging, or sleeping purposes.

636 B. *For any retail sale of accommodations not facilitated by an accommodations intermediary, the*
637 *accommodations provider shall collect the tax imposed pursuant to this article, computed on the total*
638 *price paid for the use or possession of the accommodations, and shall remit the same to the locality and*
639 *shall be liable for the same.*

640 C. *For any retail sale of accommodations facilitated by an accommodations intermediary, the*
641 *accommodations intermediary shall be deemed under this article as a facility making a retail sale of an*
642 *accommodation. The accommodations intermediary shall collect the tax imposed pursuant to this article,*
643 *computed on the room charge. When the accommodations are at a hotel, the accommodations*
644 *intermediary shall remit the taxes on the accommodations fee to the locality and shall remit any*
645 *remaining taxes to the hotel, which shall remit such taxes to the locality. When the accommodations are*
646 *at a short-term rental, as defined in § 15.2-983, or at any other accommodations, the accommodations*
647 *intermediary shall remit the taxes on the room charge to the locality.*

648 D. *An accommodations intermediary shall not be liable for taxes under this article remitted to an*
649 *accommodations provider but that are then not remitted to the locality by the accommodations provider.*
650 *For any retail sale of accommodations facilitated by an accommodations intermediary, an*
651 *accommodations provider shall be liable for that portion of the taxes under this article that relate to the*
652 *discount room charge only to the extent that the accommodations intermediary has remitted such taxes*
653 *to the accommodations provider.*

654 E. *In any retail sale of any accommodations in which an accommodations intermediary does not*
655 *facilitate the sale of the accommodations, the accommodations provider shall separately state the*
656 *amount of the tax in the bill, invoice, or similar documentation and shall add the tax to the total price*
657 *paid for the use or possession of the accommodations. In any retail sale of any accommodations in*
658 *which an accommodations intermediary facilitates the sale of the accommodation, the accommodations*
659 *intermediary shall separately state the amount of the tax on the bill, invoice, or similar documentation*
660 *and shall add the tax to the room charge; thereafter, such tax shall be a debt from the customer to the*
661 *accommodations intermediary, recoverable at law in the same manner as other debts.*

662 **§ 58.1-3842. Combined transient occupancy and food and beverage tax.**

663 A. Rappahannock County and Madison County, by duly adopted ordinance, are hereby authorized to
664 levy a tax ~~on occupancy~~ *for the use or possession of any room or space occupied* in a bed and breakfast
665 establishment on which the county is authorized to levy a transient occupancy tax under § 58.1-3819 and
666 on food and beverages sold for human consumption within such establishment on which the county is
667 authorized to levy a food and beverage tax under § 58.1-3833, when the charges for the ~~occupancy~~ *use*
668 *or possession* of the room or space and for the sale of food and beverages are assessed in the aggregate
669 and not separately stated. Such tax shall not exceed four percent of the ~~total amount charged for the~~
670 ~~occupancy of the room or space occupied~~ *price paid by the customer for the use or possession of the*
671 *room or space occupied* and for the food and beverages. Such tax shall be in such amount and on such
672 terms as the governing body may, by ordinance, prescribe. The tax shall be in addition to the sales tax
673 currently imposed by the county pursuant to the authority of Chapter 6 (§ 58.1-600 et seq.). Collection
674 of such tax shall be in a manner prescribed by the governing body. All taxes collected under the

675 authority of this article shall be deemed to be held in trust for the county imposing the tax.

676 B. If a bed and breakfast establishment separately states charges for the ~~occupancy use or possession~~
677 of the room or space *occupied* and for the sale of food and beverages, a transient occupancy tax levied
678 under § 58.1-3819 and a food and beverage tax levied under § 58.1-3833 shall apply to such separately
679 stated charges, as applicable.

680 C. Any tax imposed pursuant to this article shall not apply within the limits of any town located in
681 such county, where such town now, or hereafter, imposes a town meals tax or a town transient
682 occupancy tax on the same subject. If the governing body of any town within a county, however,
683 provides that a county tax authorized by this article shall apply within the limits of such town, then such
684 tax may be imposed within such towns.

685 D. This tax shall be levied only if a food and beverage tax has been approved in a referendum
686 within the county as provided by subsection A of § 58.1-3833. No county in which the levy of a food
687 and beverage tax has been approved in a referendum pursuant to subsection A of § 58.1-3833 shall be
688 required to submit an amendment to its meals tax ordinance or a further question to the voters in a
689 referendum prior to adopting an ordinance adopting or amending the tax authorized by this article.

690 E. Nothing herein contained shall affect any authority heretofore granted to any county to levy a
691 food and beverage tax or a transient occupancy tax.

692 **§ 58.1-3843. Scope of transient occupancy tax.**

693 A. *As used in this section:*

694 *"Accommodations" means any room or space for which tax is imposed on the retail sale of the same*
695 *pursuant to this article.*

696 *"Accommodations fee" means the same as such term is defined in § 58.1-602.*

697 *"Accommodations intermediary" means the same as such term is defined in § 58.1-602.*

698 *"Accommodations provider" means the same as such term is defined in § 58.1-602.*

699 *"Affiliate" means the same as such term is defined in § 58.1-439.18.*

700 *"Discount room charge" means the same as such term is defined in § 58.1-602.*

701 *"Retail sale" means a sale to any person for any purpose other than for resale.*

702 *"Room charge" means the same as such term is defined in § 58.1-602.*

703 B. Notwithstanding any other provision of law, general or special, the tax imposed on transient room
704 rentals pursuant to the authority of this article shall be imposed only for the ~~occupancy use or~~
705 *possession* of any room or space that is suitable or intended for occupancy by transients for dwelling,
706 lodging, or sleeping purposes.

707 C. *The scope of the transient occupancy tax imposed pursuant to this article shall be consistent with*
708 *the scope of the transient occupancy tax imposed under Article 6 (§ 58.1-3818.8 et seq.).*

709 **2. That the provisions of the first enactment of this act shall become effective on September 1,**
710 **2021, and that the provisions of the third, fourth, and fifth enactments of this act shall become**
711 **effective in due course.**

712 **3. That the Department of Taxation (the Department) shall develop and make publicly available**
713 **guidelines no later than August 1, 2021, for purposes of developing processes and procedures for**
714 **implementing the provisions of §§ 58.1-602 and 58.1-603 of the Code of Virginia, as amended by**
715 **this act, and the provisions of § 58.1-612.2 of the Code of Virginia, as created by this act, relating**
716 **to the retail sale and taxation of accommodations. The development, issuance, and publication of**
717 **the guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et**
718 **seq. of the Code of Virginia).**

719 **4. That the Department of Taxation shall maintain on its website a current table indicating the**
720 **rate of the local transient occupancy tax imposed by each county, city, and town in the**
721 **Commonwealth. Every county, city, and town that imposes a transient occupancy tax shall, no**
722 **later than seven days after making a change to its rate of taxation, provide written notice of the**
723 **same to the Tax Commissioner for the purpose of updating the table.**

724 **5. That nothing in this act shall be construed to appropriate or transfer any transportation**
725 **revenues for non-transportation-related purposes pursuant to the twenty-second enactment of**
726 **Chapter 896 of the Acts of Assembly of 2007, the fourteenth enactment of Chapter 766 of the Acts**
727 **of Assembly of 2013, the fourth enactment of Chapters 837 and 846 of the Acts of Assembly of**
728 **2019, the tenth enactment of Chapters 1230 and 1275 of the Acts of Assembly of 2020, the second**
729 **enactment of Chapter 1235 of the Acts of Assembly of 2020, and the second enactment of**
730 **Chapters 1241 and 1281 of the Acts of Assembly of 2020.**