

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-609.5 of the Code of Virginia, relating to retail sales and use tax;*  
3 *service exemptions.*

4 [H 1677]

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 shall  
10 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. *An amount separately charged for labor rendered in connection with diagnostic work for*  
25 *automotive repair and emergency roadside service for motor vehicles, as defined by § 46.2-100,*  
26 *regardless of whether there is a sale of a repair or replacement part or a shop supply charge.*27 9. The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients  
28 for more than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds,  
29 club, or any other place in which rooms, lodging, space or accommodations are regularly furnished to  
30 transients for a consideration.31 ~~9. 10.~~ Beginning January 1, 1996, maintenance contracts, the terms of which provide for both repair  
32 or replacement parts and repair labor, shall be subject to tax upon one-half of the total charge for such  
33 contracts only. Persons providing maintenance pursuant to such a contract may purchase repair or  
34 replacement parts under a resale certificate of exemption. Warranty plans issued by an insurance  
35 company, which constitute insurance transactions, are subject to the provisions of subdivision 1 above.

ENROLLED

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