

# VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

## CHAPTER 102

*An Act to amend and reenact § 58.1-609.4 of the Code of Virginia, relating to exemptions from the Virginia Retail Sales and Use Tax Act.*

[H 154]

Approved March 8, 1995

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-609.4 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-609.4. Educational exemptions.

The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to the following:

1. School lunches sold and served to pupils and employees of schools and subsidized by government; school textbooks sold by a local board or authorized agency thereof; and school textbooks sold for use by students attending a college or other institution of learning not conducted for profit, when sold (i) by such institution of learning or (ii) by any other dealer, when such textbooks have been certified by a department or instructor of such institution of learning as required textbooks for students attending courses at such institution.

2. Tangible personal property for use or consumption by a college or other institution of learning and tangible personal property for use or consumption by, sold by, or donated to a noncommercial educational telecommunications entity, said exemption to apply to each transaction in the chain of commerce from manufacture to final disposition, provided that such college, institution of learning, or telecommunications entity is not conducted for profit.

3. Tangible personal property purchased by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing education, training and services to retarded citizens of the Commonwealth, provided that such property is used exclusively for the purpose set forth herein and that such organization receives more than fifty percent of its total funding from federal, state, or local governments.

4. Tangible personal property and services purchased by an educational institution doing business in the Commonwealth which (i) admits regularly enrolled high school and college students and (ii) provides a face-to-face educational experience in American government, a program which leads towards the successful completion of United States history, civics, and problems in democracy courses in high school, or which is acceptable for full credit towards an undergraduate or graduate level college degree, provided such institution is conducted not for profit.

5. Books and other reading materials for use by nonprofit organizations organized solely to distribute such books and reading materials to school-age children.

6. Tangible personal property purchased for use by a nonprofit, nonstock corporation which receives no financial aid from the Commonwealth or the federal government and is organized exclusively for the purpose of operating, at no charge to the pupils, a combination boarding and day school for the severely physically handicapped children and young adults of the Commonwealth.

7. Tangible personal property sold or leased to a foundation which exclusively provides either training and education of any type or duration for employees of governmental law-enforcement and corrections agencies or education of the public in citizen cooperation with public authorities in crime prevention and solution, provided such foundation is conducted not for profit.

8. Tangible personal property purchased for use, consumption, or sale at retail by an elementary or secondary school conducted not for profit, or Parent Teacher Association or other group associated with an elementary or secondary school conducted not for profit for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, "certified school equipment" means that equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner. Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which an elementary or secondary school conducted not for profit receives a commission or the net proceeds after the payment of vendors and other direct expenses.

9. a. From July 1, 1989, through June 30, 1996, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that

hires only certified public school teachers and which has a regularly prescribed curriculum.

b. From July 1, 1990, through June 30, 1996, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that hires only certified public school teachers or teachers who are college graduates holding a degree from an accredited four-year institution of higher education and certified by an organization recognized by the U.S. Department of Education or by some other nationally recognized organization, and which has a regularly prescribed curriculum.

10. From July 1, 1989, through June 30, 1996, personal property purchased for use or consumption by a private, nonprofit corporation exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, which operates a county public library, and such library is also used as a recreational center for county residents.

11. From July 1, 1989, through June 30, 1996, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized primarily for the purpose of operating a public library.

12. From July 1, 1990, through June 30, 1996, tangible personal property and services purchased for use by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, which is organized and operated primarily for the purpose of encouraging participation in the free enterprise system through information programs directed to secondary schools and college students, college scholarship programs, and recognition of achievement in the American free enterprise system.

13. From July 1, 1990, through June 30, 1996, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized primarily for the purpose of operating an arts center which offers and sponsors a year-round schedule of art education classes for adults and children, a continuous series of exhibits focusing on twentieth century art, and a wide range of seminars for the public at no or nominal charge.

14. From July 1, 1991, through June 30, 1996, tangible personal property purchased for use or consumption by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized and operated exclusively for the purpose of enhancing education by assisting a city public library with its physical and service needs.

15. (i) From July 1, 1991, through June 30, 1996, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by increasing community awareness of the illiteracy problem within the metropolitan Richmond area.

(ii) *From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to combat illiteracy by tutoring and training adults and by increasing community awareness of the illiteracy problem within the Roanoke Valley area.*