

VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

CHAPTER 422

An Act to amend and reenact § 58.1-401 of the Code of Virginia, relating to the corporate income tax.

[S 1005]

Approved March 20, 1995

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-401 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-401. Exemptions and exclusions.

No tax levied pursuant to § 58.1-400 or § 58.1-400.1 is imposed on:

1. A public service corporation to the extent such corporation is subject to the license tax on gross receipts contained in Chapter 26 of this title;

2. Insurance companies to the extent such company is subject to the license tax on gross premiums under Chapter 25 of this title and reciprocal or interinsurance exchanges which pay a premium tax to the Commonwealth as provided by law;

3. State and national banks, banking associations and trust companies to the extent such companies are subject to the bank franchise tax on net capital;

3a. Credit unions organized and conducted as such under the laws of the Commonwealth or under the laws of the United States;

4. Electing small business corporations (S corporations);

5. Religious, educational, benevolent and other corporations not organized or conducted for pecuniary profit which by reason of their purposes or activities are exempt from income tax under the laws of the United States, except those organizations which have unrelated business income or other taxable income under such laws; ~~and~~

6. Telephone companies chartered in the Commonwealth which are exclusively a local mutual association and are not designated to accumulate profits for the benefit of, or to pay dividends to, the stockholders or members thereof; *and*

7. *A corporation that has contracted with a commercial printer for printing and that is not otherwise taxable shall not become taxable by reason of: (i) the ownership or leasing by that corporation of tangible personal property located at the Virginia premises of the commercial printer and used solely in connection with the printing contract with such person; (ii) the sale by that corporation at another location of property of any kind printed at and shipped or distributed from the Virginia premises of the commercial printer; (iii) the activities in connection with the printing contract with such person of any kind performed by or on behalf of that corporation at the Virginia premises of the commercial printer; and (iv) the activities in connection with the printing contract with such person performed by the commercial printer for or on behalf of that corporation.*