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HOUSE BILL NO. 1459

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance
on February 2, 1995)

(Patron Prior to Substitute—Delegate Davies)

A *BILL to amend and reenact §§ 58.1-609.1, 58.1-609.4, 58.1-609.7, 58.1-609.8, 58.1-609.9 and 58.1-609.10 of the Code of Virginia, relating to sales and use tax exemptions.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-609.1, 58.1-609.4, 58.1-609.7, 58.1-609.8, 58.1-609.9 and 58.1-609.10 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-609.1. Governmental and commodities 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. Motor vehicle fuels which are subject to the tax imposed by Chapter 21 (§ 58.1-2100 et seq.) of this title. Persons who are refunded any such motor fuel tax or special fuel tax shall, however, be subject to the tax imposed by this chapter, unless such taxes would be specifically exempted pursuant to any provision of this section.

2. Motor vehicles, trailers, semitrailers, mobile homes and travel trailers.

3. Gas, electricity, or water when delivered to consumers through mains, lines, or pipes.

4. Tangible personal property for use or consumption by the Commonwealth, any political subdivision of the Commonwealth, or the United States. This exclusion shall not apply to sales and leases to privately owned financial and other privately owned corporations chartered by the United States.

5. Aircraft subject to tax under Chapter 15 (§ 58.1-1500 et seq.) of this title.

6. Motor fuels and special fuels for use in a boat or ship, upon which a motor fuel tax is refunded pursuant to § 58.1-2113, and upon which a special fuel tax is refunded pursuant to § 58.1-2122.

7. Sales by a government agency of the official flags of the United States, the Commonwealth of Virginia, or of any county, city or town.

8. Materials furnished by the State Board of Elections pursuant to subdivision (8), (9), or (10) of § 24.1-23.

9. Watercraft as defined in § 58.1-1401.

10. Tangible personal property used in and about a marine terminal under the supervision of the Virginia Port Authority for handling cargo, merchandise, freight and equipment. This exemption shall apply to agents, lessees, sublessees or users of tangible personal property owned by or leased to the Virginia Port Authority and to property acquired or used by the Authority or by a nonstock, nonprofit corporation that operates a marine terminal or terminals on behalf of the Authority.

11. Sales by prisoners confined in state correctional facilities of artistic products personally made by the prisoners as authorized by § 53.1-46.

12. Tangible personal property for use or consumption by the Virginia Department for the Visually Handicapped or any nominee, as defined in § 63.1-142, of such Department. (Also see § 63.1-164, which provides a more detailed explanation of the exemption.)

13. *From July 1, 1995, through June 30, 2000, tangible personal property for use or consumption by any community diversion program established in accordance with the provisions of the Community Diversion Incentive Act (§ 53.1-180 et seq.).*

§ 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)

60 of the Internal Revenue Code and organized exclusively for the purpose of providing education, training
61 and services to retarded citizens of the Commonwealth, provided that such property is used exclusively
62 for the purpose set forth herein and that such organization receives more than fifty percent of its total
63 funding from federal, state, or local governments.

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

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

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

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

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

93 9. a. From July 1, 1989, through June 30, 1996, tangible personal property purchased for use or
94 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
95 and organized primarily for the purpose of operating a state-licensed day-care center or a preschool that
96 hires only certified public school teachers and which has a regularly prescribed curriculum.

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

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

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

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

116 13. From July 1, 1990, through June 30, 1996, tangible personal property purchased for use or
117 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
118 Revenue Code and organized primarily for the purpose of operating an arts center which offers and
119 sponsors a year-round schedule of art education classes for adults and children, a continuous series of
120 exhibits focusing on twentieth century art, and a wide range of seminars for the public at no or nominal
121 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. 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.

16. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or consumption by or sold by a nonprofit volunteer organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized exclusively for the purpose of raising funds for grant aid to any state, county or municipal library open to the public within the Commonwealth.

17. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to provide educational and recreational services for at-risk youth.

18. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to provide specialized information and referral services, education programs and advocacy on behalf of deaf and hard-of-hearing persons.

19. From July 1, 1995, through June 30, 1996, tangible personal property purchased for use or consumption by a nonprofit research, educational, and communications organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote highway safety.

§ 58.1-609.7. Medical-related 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. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses and hearing aids dispensed by or sold on prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, hearing aid dealers and fitters, and veterinarians; and controlled drugs purchased for use by a licensed physician in his professional practice, regardless of whether such practice is organized as a sole proprietorship, partnership or professional corporation, or any other type of corporation in which the shareholders and operators are all licensed physicians engaged in the practice of medicine, but excluding hospitals, nursing homes, clinics, and similar corporations not otherwise exempt under this section. Any veterinarian dispensing or selling medicines or drugs on prescription shall be deemed to be the user or consumer of all such medicines and drugs.

2. Wheelchairs and parts therefor, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, other durable medical equipment and devices, and related parts and supplies specifically designed for those products; and insulin and insulin syringes, and equipment, devices or chemical reagents which may be used by a diabetic to test or monitor blood or urine, when such items or parts are purchased by or on behalf of an individual for use by such individual. Durable medical equipment is equipment which (i) can withstand repeated use, (ii) is primarily and customarily used to serve a medical purpose, (iii) generally is not useful to a person in the absence of illness or injury, and (iv) is appropriate for use in the home.

3. Drugs and supplies used in hemodialysis and peritoneal dialysis.

4. Tangible personal property for use or consumption by a nonprofit hospital or a nonprofit licensed nursing home.

5. Tangible personal property for use or consumption by community health centers exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and established for the purpose of providing health care services for areas of the Commonwealth containing a medically underserved population as defined by 42 U.S.C. § 254 c (b) (3).

6. Special equipment installed on a motor vehicle when purchased by a handicapped person to enable such person to operate the motor vehicle.

7. Tangible nonmedical personal property purchased by a nonprofit organization organized exclusively for the purpose of providing housing and ancillary assistance for individuals suffering from leukemia or oncological diseases, for other ill individuals, and for the families of such individuals during periods of medical treatment of such individuals at any hospital in the Commonwealth.

8. Tangible personal property purchased by a voluntary health organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing direct therapeutic and rehabilitative services, such as speech therapy, physical therapy, and camping and recreational activities, to the children and adults of this Commonwealth regardless of the nature of their

183 disease or socio-economic position.

184 9. Special typewriters and computers and related parts and supplies specifically designed for those
185 products used by handicapped persons to communicate when such equipment is prescribed by a licensed
186 physician.

187 10. Tangible personal property purchased for use or consumption by health maintenance
188 organizations licensed under Chapter 43 (§ 38.2-4300 et seq.) of Title 38.2 which are exempt from
189 taxation under § 501 (c) (3) of the Internal Revenue Code.

190 11. Tangible personal property for use or consumption by a nonprofit, nonstock corporation which is
191 exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized under
192 the laws of the Commonwealth exclusively for the purpose of conducting a clinic furnishing free health
193 care services by licensed physicians and dentists.

194 12. Tangible personal property purchased for use or consumption by any nonprofit hospital
195 cooperative or nonprofit hospital corporation organized and operated for the sole purpose of providing
196 services exclusively to nonprofit hospitals. This exemption shall not apply to any nonprofit hospital,
197 cooperative or nonprofit hospital corporation providing services of any kind or to any extent to other
198 than nonprofit hospitals.

199 13. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or
200 consumption by a nonprofit high blood pressure center which is used exclusively to provide medical
201 assistance to indigent persons diagnosed with hypertension.

202 14. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or
203 consumption by a tissue bank exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
204 and established for purposes of procuring, preserving, processing, allocating or distributing bones,
205 organs, blood, skin and other human tissue to licensed physicians for clinical use.

206 15. Beginning July 1, 1996, any nonprescription drugs and proprietary medicines purchased for the
207 cure, mitigation, treatment, or prevention of disease in human beings. The terms "nonprescription drugs"
208 and "proprietary medicines" shall be defined pursuant to regulations promulgated by the Department of
209 Taxation. The exemption authorized in this subdivision shall not apply to cosmetics.

210 16. From July 1, 1994, through June 30, 1998, tangible personal property purchased for use or
211 consumption or sold by a volunteer medical services organization exempt from taxation under § 501 (c)
212 (3) of the Internal Revenue Code and established to provide reconstructive surgery and related health
213 care to indigent children and young adults in developing countries and the United States.

214 17. *From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or*
215 *consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal*
216 *Revenue Code and organized exclusively for educational, scientific, and charitable purposes relating to*
217 *the promotion of health, including (i) operating a medical clinic which shall be free of charge or shall*
218 *charge less than prevailing rates to those who are unable to obtain health care through conventional*
219 *means and (ii) educating and providing information to the general public regarding the treatment and*
220 *prevention of those conditions which commonly affect the poor.*

221 18. *From July 1, 1995, through June 30, 1998, equipment and supplies purchased for use or*
222 *consumption by a nonprofit charitable organization which is exempt from taxation under § 501 (c) (3) of*
223 *the Internal Revenue Code and which is organized and operated exclusively for the purpose of providing*
224 *charitable, long-distance, advanced life-support, air ambulance services for low-income medical patients*
225 *in the Commonwealth.*

226 19. *From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or*
227 *consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal*
228 *Revenue Code, organized exclusively to provide medical and psychological evaluations and direct*
229 *therapeutic and rehabilitative medical and psychological treatment and services to child abuse victims.*

230 20. *From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or*
231 *consumption by a nonprofit charitable organization which is exempt from taxation under § 501 (c) (3) of*
232 *the Internal Revenue Code and organized and operated exclusively for the purpose of providing*
233 *assistance to individuals suffering from multiple sclerosis in the Commonwealth and to the families of*
234 *such individuals, and for research relating to the prevention and treatment of multiple sclerosis.*

235 21. *From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or*
236 *consumption by or sold by volunteer rescue squads exempt from taxation under § 501 (c) (3) of the*
237 *Internal Revenue Code and organized to provide medical treatment and transportation to hospitals for*
238 *the general public.*

239 § 58.1-609.8. Nonprofit civic and community service exemptions.

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

242 1. Tangible personal property purchased for use or consumption by or sold by a volunteer fire
243 department or volunteer rescue squad, an auxiliary or junior organization of such department or squad
244 not conducted for profit, a nonprofit association of which the regular membership is composed of such

volunteer fire departments or volunteer rescue squads, and construction materials to be incorporated into realty when sold to and used by such organization, rather than a contractor, in construction, maintenance, or repair of any property of such organization.

2. Tangible personal property, except property used in any form of recording and reproducing services, purchased by churches organized not for profit and which are exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, or whose real property is exempt from local taxation pursuant to the provisions of § 58.1-3606, for use (i) in religious worship services by a congregation or church membership while meeting together in a single location and (ii) in the libraries, offices, meeting or counseling rooms or other rooms in the public church buildings used in carrying out the work of the church and its related ministries, including kindergarten, elementary and secondary schools. The exemption for such churches shall also include baptistries; bulletins, programs, newspapers and newsletters which do not contain paid advertising and are used in carrying out the work of the church; gifts *including food* for distribution outside the public church building; and food, disposable serving items, cleaning supplies and teaching materials used in the operation of camps or conference centers by the church or an organization composed of churches that are exempt under this subdivision and which are used in carrying out the work of the church or churches.

3. Tangible personal property sold or leased for use in nonprofit nutrition programs for the elderly qualifying under 42 U.S.C. § 3030 (e) through (g), as amended, as administered by the Virginia Department for the Aging, and the food and food products sold under such programs to elderly persons and the food and food products sold by such program participants to disabled or handicapped persons under the age of sixty.

4. Tangible personal property bought, sold or used by Virginia Federation of Humane Societies or any chartered, not-for-profit organization incorporated under the laws of this Commonwealth and organized for the purpose of preventing cruelty to animals and promoting humane care of animals, when such property is used for the operation of such organizations or the construction or maintenance of animal shelters.

5. Tangible personal property withdrawn from inventory and donated to (i) an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code or (ii) the Commonwealth, any political subdivision of the Commonwealth, or any school, agency or instrumentality thereof.

6. Tangible personal property purchased by an organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized primarily to distribute, during the Christmas season, food, toys, and clothing to persons in financial need, provided such tangible personal property is distributed at no cost to financially needy persons.

7. Tangible personal property, including food and food products, purchased for use or consumption by a residential youth shelter organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, provided such organization is organized exclusively for maintaining and operating group homes for the shelter and care of abused and neglected children in the Commonwealth on a long-term or short-term basis.

8. 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 exclusively for the purpose of providing education, training, services, and assistance in independent living to foster care children and youth without families.

9. Tangible personal property for use or consumption by, sold by or donated to a food bank or organization exempt from taxation pursuant to § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the distribution of foods to infants, the ill, or the needy; the exemptions shall apply to each transaction in the chain of commerce from manufacture to final disposition, provided that such food bank or organization is not conducted for profit.

10. Tangible personal property for use or consumption by a licensed nonprofit adult care residence as defined in § 63.1-172 or a licensed nonprofit adult day-care center as defined in § 63.1-194.1.

11. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or consumption by or sold by a nonstock, nonprofit charitable organization, exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and from local real estate taxation, which is organized exclusively to foster, sponsor and promote physical education, athletic programs and contests for youths in the Commonwealth.

12. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or consumption by a shelter for homeless individuals operated by an organization exempt from taxation pursuant to § 501 (c) (3) of the Internal Revenue Code, or tangible personal property purchased for use or consumption by a § 501 (c) (3) organization that is organized exclusively for the purpose of providing food, shelter, clothing or other items to homeless persons in the Commonwealth.

13. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code

306 and organized for the purpose of preparing and publishing a free travel guide for handicapped travelers.

307 14. From July 1, 1989, through June 30, 1998, tangible personal property purchased for use or
308 consumption, or to be sold at retail, by any nonsectarian youth organization exempt from taxation under
309 § 501 (c) (3) of the Internal Revenue Code which is organized for the purposes of the character
310 development and citizenship training of its members using the methods now in common use by Girl
311 Scout or Boy Scout organizations in Virginia.

312 15. From July 1, 1990, through June 30, 1998, tangible personal property purchased for use or
313 consumption by a nonprofit organization which under contract with a municipality operates Head Start
314 programs, extended day-care programs, and a shelter for runaways.

315 16. From July 1, 1990, through June 30, 1998, tangible personal property purchased for use or
316 consumption by a nonstock, nonprofit charitable corporation exempt from taxation under § 501 (c) (3) of
317 the Internal Revenue Code and from local property taxes and organized and operated to offer social
318 services, including, but not limited to, aid or assistance to travelers who, for financial or other reasons,
319 find themselves stranded or otherwise in distress and in need of temporary assistance (traveler's aid);
320 family life education; assistance to persons interested in the adoption of children or acting as foster care
321 parents; counseling to persons in financial need or distress and the provision of services related thereto;
322 counseling for individuals living with persons afflicted with mental health problems or the mentally
323 retarded, as well as providing services directly to the mentally ill or mentally retarded; and related social
324 welfare activities.

325 17. From July 1, 1990, through June 30, 1998, tangible personal property purchased for use or
326 consumption by a nonstock, nonprofit charitable corporation exempt from taxation under § 501 (c) (3) of
327 the Internal Revenue Code and organized and operated to offer social services, including, but not limited
328 to, transitional housing for homeless individuals, employment counseling, placement and referral services
329 to persons in financial need, health-related assistance, child care for children whose parents are either
330 employed or enrolled in job training programs, emergency assistance (including the provision of food) to
331 persons in financial need who may face eviction or termination of utility services, and related social
332 welfare activities.

333 18. From July 1, 1990, through June 30, 1998, tangible personal property purchased for use or
334 consumption by a nonprofit organization exempt from taxation pursuant to § 501 (c) (3) of the Internal
335 Revenue Code and which provides equipment, furniture, motor vehicles, and other types of tangible
336 personal property to assist mentally retarded or mentally ill citizens of the Commonwealth.

337 19. From July 1, 1991, through June 30, 1998, tangible personal property purchased for use or
338 consumption by a community action agency as defined in § 2.1-588.

339 20. Effective retroactive to January 1, 1984, and through June 30, 1998, tangible personal property
340 for use or consumption, or further distribution, or sold by an organization exempt from taxation under
341 § 501 (c) (3) of the Internal Revenue Code and which is organized and operated exclusively for the
342 purposes of providing education, training, certification in emergency cardiac care, research, and other
343 related services to reduce disability and death from cardiovascular diseases and stroke.

344 21. Effective retroactive to January 1, 1984, and through June 30, 1998, tangible personal property
345 for use or consumption, or further distribution, or sold by an organization exempt from taxation under
346 § 501 (c) (3) of the Internal Revenue Code and which is organized and operated exclusively for the
347 purpose of eliminating all lung disease, including asthma, emphysema, lung cancer and pneumonia,
348 through medical research, public education focusing on disease prevention and education, patient
349 education including information on coping with lung disease, smoking and air pollution prevention, and
350 professional education and training.

351 22. Effective retroactive to January 1, 1984, and through June 30, 1998, tangible personal property
352 for use or consumption, or further distribution, or sold by a statewide organization exempt from taxation
353 under § 501 (c) (3) of the Internal Revenue Code and which is organized and operated exclusively for
354 the purpose of eliminating diabetes through medical research, public education focusing on disease
355 prevention and education, patient education including information on coping with diabetes, and
356 professional education and training.

357 23. Effective retroactive to January 1, 1984, and through June 30, 1998, tangible personal property
358 for use or consumption, or further distribution, or sold by an organization exempt from taxation under
359 § 501 (c) (3) of the Internal Revenue Code which is organized exclusively for the purpose of eliminating
360 cancer as a major health problem by preventing cancer, saving lives from cancer, and diminishing
361 suffering from cancer through research, education and service.

362 24. From July 1, 1991, through June 30, 1998, tangible personal property purchased for use or
363 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
364 Revenue Code and organized exclusively for the purpose of promoting and supporting conservation and
365 environmental issues throughout the Commonwealth by encouraging the protection and restoration of
366 waters, wildlife and land; safeguarding the public health by eliminating pollution; nurturing and
367 improving wildlife stocks; promoting the highest standards of sportsmanship and strengthening

farmer-sportsmen understanding; and performing other environmental services.

25. From July 1, 1991, through June 30, 1998, tangible personal property purchased for use or consumption by a nonprofit charitable organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized exclusively to provide immediate and affordable counseling, and regularly scheduled workshops to address the psychological, educational, and professional concerns of women and their families.

26. From July 1, 1991, through June 30, 1998, tangible personal property purchased for use or consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized exclusively to advance the moral character and to promote sportsmanship, team spirit, fair play, honesty, and patriotism among youth by providing and supervising clean and wholesome activities for the youth in Appomattox County who participate in its programs.

27. From July 1, 1991, through June 30, 1998, tangible personal property purchased and sold by a nonprofit organization exempt from taxation under § 501 (c) (3) or (4) of the Internal Revenue Code, organized exclusively to provide aid and assistance to (i) the blind or visually impaired or programs devoted to the prevention of the loss of eyesight; (ii) the deaf or hearing impaired; (iii) drug abuse and drug awareness programs; (iv) diabetes and diabetes detection; and (v) cultural and educational opportunities for the musically talented boys and girls of the Commonwealth, for use in fund-raising activities, provided the net proceeds (gross receipts less expenses) from such sales are contributed directly to or used to fund the charitable purposes for which the organization is organized.

28. From July 1, 1991, through June 30, 1998, tangible personal property purchased for use or consumption in the performance of emergency services by Radio Emergency Associated Communications Teams which are nonprofit organizations that operate and maintain public service communications and provide emergency services to motorists and their local communities.

29. From July 1, 1995, through June 30, 1998, tangible personal property purchased by a nonprofit organization which sells donated clothing, accessories, and children's toys for the purpose of providing child-care scholarships for needy families.

30. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, organized exclusively to provide aid and assistance to any person age sixteen to sixty-five who has life-controlling problems with drugs, alcohol, or crime through the following programs: (i) outreach and concerts at the prevention level; (ii) concerned counseling at the intervention level; and (iii) "in-house" treatment and care at the residential level.

31. From July 1, 1995, through June 30, 1998, tangible personal property sold by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized for the purpose of providing food packages at a reduced price through host organizations (i.e., churches, community centers, senior centers, medical centers, Headstart programs) to individuals who agree to perform community service.

32. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption by or sold by a nonprofit volunteer organization whose purpose is to improve its community through public works, fund raisers, and donations to other community groups.

33. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to help solve the problems created by homelessness, substance abuse, dysfunctional families and cultural diversity through family and multicultural counseling, neighborhood development, college intern training, special foster care and housing services.

34. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) or (4) of the Internal Revenue Code and organized exclusively to provide year-round sports training and athletic competition in a variety of Olympic-type sports for persons in Virginia with mental retardation, age five and older, at no cost to the athlete.

35. From July 1, 1995, through June 30, 1998, 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 to preserve, strengthen and promote healthy family life, to prevent individual and family breakdown, and to address other human service needs.

36. From July 1, 1995, through June 30, 1998, 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 and operated exclusively to foster, sponsor and promote sportsmanship, recreation, and health through athletic programs and contests for youths in the Commonwealth.

37. From July 1, 1995, through June 30, 1998, 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 to provide individuals who have disabling conditions with access to,

429 support and assistance in the use of, and information concerning state-of-the-art technology in order to
430 maximize their potential independence in their community; to maintain a computer technology
431 information and lending library; to offer information and assistance on the use of technology in
432 transition planning and independent living; and to conduct workshops and presentations on the uses of
433 computer-related technology.

434 38. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
435 consumption by an organization which is exempt from taxation under § 501 (c) (3) of the Internal
436 Revenue Code and which is organized exclusively to provide a voice in court for abused and neglected
437 children through volunteer court-appointed special advocates.

438 39. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
439 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal
440 Revenue Code and organized to provide emergency food and supplies for a limited period of time to
441 needy recipients.

442 40. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
443 consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the
444 Internal Revenue Code and organized for charitable, religious, educational, and scientific purposes,
445 including the making of monetary distributions to other nonprofit organizations.

446 41. From July 1, 1995, through June 30, 1998, food, food products, and services sold to residents
447 under a Department of Housing and Urban Development-approved meal plan by a nonprofit
448 organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and receiving
449 federal grant assistance under the Department of Housing and Urban Development Section 8 programs.

450 42. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
451 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) or (4) of the Internal
452 Revenue Code and organized exclusively to provide a unique one-to-one relationship for at-risk children,
453 ages five through eighteen, living in single-parent homes, by matching them with adult volunteers who
454 provide them with support, guidance, and friendship while addressing their social, emotional, and
455 academic needs.

456 43. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
457 consumption by any nonsectarian organization exempt from taxation under § 501 (c) (3) of the Internal
458 Revenue Code which is organized exclusively for the purpose of providing education, training, services,
459 assistance, and support to elementary and secondary educational institutions, using the methods now in
460 common use by parents and teachers organizations throughout the Commonwealth.

461 44. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
462 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
463 and which is organized exclusively to promote athletic programs, clinics, and organized sporting events
464 and to provide opportunities for education, physical education, and the practice of sportsmanship
465 through these programs to improve the quality of life for residents of the Commonwealth who are
466 dependant on the use of wheelchairs for mobility.

467 45. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
468 consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) or (4) of the Internal
469 Revenue Code and organized exclusively to provide independent living services to individuals with
470 disabilities in Virginia, including the provision of (i) direct services to individuals with severe
471 disabilities which result in a greater level of independence and community integration and (ii) services
472 in the community which result in greater awareness of disability issues, physical and programmatic
473 accessibility, and systems change.

474 46. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
475 consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code
476 and organized exclusively to provide independent living skills training, peer counseling, advocacy, and
477 information and referral to people with severe physical and mental disabilities.

478 47. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
479 consumption by a nonprofit organization which is organized exclusively to provide a nondenominational
480 religious outreach program by lending or donating written material and audio or video tapes, at no cost
481 to the recipient.

482 48. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
483 consumption by or sold by an organization exempt from taxation under § 501 (c) (3) of the Internal
484 Revenue Code and established to promote character development and citizenship training for youth by
485 providing a supervised physical education program through softball teams and leagues.

486 49. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or
487 consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the
488 Internal Revenue Code and organized to provide needy individuals with financial assistance for rent and
489 mortgage payments, utilities payments, medical bills, and some home repair.

490 50. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or

consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized to repair or rehabilitate homes owned and occupied by low-income persons who could not otherwise afford to finance the rehabilitation or repair of their homes.

51. From July 1, 1995, through June 30, 1998, 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 assist families in crisis, homeless youth and the elderly by providing a variety of social services such as services on behalf of children in their own homes, group programs for predelinquent and delinquent youths, individual and family counseling, family life education, and financial assistance and legal aid.

52. From July 1, 1995, through June 30, 1998, 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 exclusively to provide services to families including professional counseling, home care aid, treatment for domestic violence, and casework services for older adults.

53. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption by an organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized exclusively for the purpose of providing court-appointed volunteers to act as independent and impartial advocates for abused and neglected children involved in court proceedings.

54. From July 1, 1995, through June 30, 1998, tangible personal property purchased for use or consumption, or further distribution, or sold by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized and operated exclusively for the purposes of (i) preparing students for agricultural careers in marketing, processing, communications, education, horticulture, production, natural resources, forestry and agribusiness, including plant and animal sciences, (ii) applying such knowledge and skills in a supervised setting either at home or a part-time workplace, and (iii) providing opportunities to students on the national, state, and local levels to improve their leadership abilities and test their agricultural skills.

55. From July 1, 1995, through June 30, 1998, 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 to provide funds for the benefit of various charities, including but not limited to the Cystic Fibrosis Foundation, The Ronald McDonald House, The Leukemia Society, the Don Shula Foundation, Inc., and Children's National Medical Center's National SAFE KIDS Campaign.

§ 58.1-609.9. Nonprofit cultural organization 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. Historical documents, maps, rare books and manuscripts acquired for use or consumption by a nonprofit state historical society, exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, which has a research library, a museum, and an educational department, all open to the public.

2. Tangible personal property purchased for use or consumption by (i) a nonprofit museum of fine arts which is located on property owned by a city in Virginia and which receives more than one-half its operating budget from appropriations by the city or (ii) a nonprofit regional science-technology museum.

3. Tangible personal property purchased for the use or consumption of a nonstock corporation, exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, whose principal activity is conducted on real property owned by any city in the Commonwealth, organized exclusively for the purpose of operating, managing, promoting and improving a public park and museum for recreational and educational purposes.

4. Tangible personal property purchased for charitable or educational purposes by an organization exempt under § 501 (c) (3) of the Internal Revenue Code and organized exclusively (i) to care for the spiritual needs of American Indians, (ii) to communicate to the non-Indian the values, customs, philosophy and special needs of the American Indian, (iii) to meet the urgent needs of American Indians through nationwide charitable distribution programs, and (iv) to encourage awareness of American Indian arts, crafts and customs provided such property is distributed by the organization through its nationwide charitable distribution program.

5. From July 1, 1989, through June 30, 1999, tangible personal property purchased for use or consumption by a nonprofit foundation exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized for the purpose of promoting a permanent memorial to a former Chief Justice of the Supreme Court of the United States.

6. From July 1, 1989, through June 30, 1999, tangible personal property purchased for use or consumption by a nonprofit museum exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and operating for the purpose of commemorating and preserving in a central repository the culture and history of black people in Virginia through a collection of memoirs, artifacts, displays, exhibits and

552 other related historical data.

553 7. From July 1, 1989, through June 30, 1999, tangible personal property purchased for use or
554 consumption by a nonstock, nonprofit organization which (i) is exempt from taxation under § 501 (c) (3)
555 of the Internal Revenue Code, (ii) operates exclusively for educational and charitable purposes to
556 promote the study, performance and public awareness of music by presenting performances of live music
557 to youths and family groups, (iii) receives funding annually from at least three local governments in
558 Virginia and from the Virginia Commission for the Arts, and (iv) charges no fees for children to attend
559 the musical performances.

560 8. From July 1, 1989, through June 30, 1999, tangible personal property purchased for use or
561 consumption by a nonprofit cultural organization, exempt from taxation under § 501 (c) (3) of the
562 Internal Revenue Code, which educates children about the arts, humanities and nature on a regular basis
563 through museum exhibits, classes and performances.

564 9. From July 1, 1989, through June 30, 1999, tangible personal property purchased for use or
565 consumption by a national and international, nonprofit, scientific, and educational organization, exempt
566 from taxation under § 501 (c) (3) of the Internal Revenue Code, whose resources are devoted to
567 preserving ecologically significant areas in order to safeguard rare or endangered species or critical
568 natural habitats.

569 10. Tangible personal property purchased for use or consumption by a nonstock, nonprofit
570 organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized
571 exclusively to provide a public park and botanical garden for the entertainment and recreation of the
572 citizens of the Commonwealth and to promote the advancement of botanical science through research
573 and education of science students.

574 11. *a. From July 1, 1990, through June 30, 1999, tangible personal property purchased for use or*
575 *consumption by a nonprofit organization which is exempt from taxation pursuant to § 501 (c) (3) of the*
576 *Internal Revenue Code and which coordinates and promotes art in the Roanoke Valley.*

577 *b. From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
578 *consumption by a nonprofit organization which is exempt from taxation pursuant to § 501 (c) (3) of the*
579 *Internal Revenue Code and which coordinates and promotes art in the Shenandoah Valley*

580 12. *From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
581 *consumption by a nonprofit corporation which is exempt from taxation under § 501 (c) (3) of the*
582 *Internal Revenue Code and which is organized under the laws of the Commonwealth primarily for the*
583 *purposes of (i) promoting the best interests and welfare of the Jewish community; (ii) enriching and*
584 *furthering an appreciation of the spiritual, cultural, and ethical heritages and values of Judaism as they*
585 *apply to the Jewish way of life in America; and (iii) promoting fellowship, harmony, and rapport among*
586 *Americans of the Jewish faith and among all citizens of the community at large.*

587 13. *From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
588 *consumption by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code*
589 *and organized exclusively to commemorate the adoption of Virginia's Statute for Religious Freedom.*

590 14. *From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
591 *consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the*
592 *Internal Revenue Code and organized exclusively to produce contemporary American and English*
593 *theatre by professional artists from throughout the country for the education and entertainment of*
594 *Virginians.*

595 15. *From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
596 *consumption by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal*
597 *Revenue Code and organized to collect, preserve and disseminate information concerning genealogical*
598 *and historical data; to advance the practice of thorough and ethical research; to foster careful*
599 *documentation and scholarly writing; and to issue publications relating to the field of genealogy.*

600 16. *From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or*
601 *consumption by or sold by a nonprofit community theatre organization exempt from taxation under*
602 *§ 501 (c) (3) of the Internal Revenue Code and organized exclusively to present a summer musical*
603 *production for the education and entertainment of Virginians.*

604 § 58.1-609.10. Miscellaneous exemptions.

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

607 1. Artificial or propane gas, firewood, coal or home heating oil used for domestic consumption.
608 "Domestic consumption" means the use of artificial or propane gas, firewood, coal or home heating oil
609 by an individual purchaser for other than business, commercial or industrial purposes. The Tax
610 Commissioner shall establish by regulation a system for use by dealers in classifying individual
611 purchases for domestic or nondomestic use based on the principal usage of such gas, wood, coal or oil.
612 Any person making a nondomestic purchase and paying the tax pursuant to this chapter who uses any
613 portion of such purchase for domestic use may, between the first day of the first month and the fifteenth

day of the fourth month following the year of purchase, apply for a refund of the tax paid on the domestic use portion.

2. An occasional sale, as defined in § 58.1-602.

3. Tangible personal property for future use by a person for taxable lease or rental as an established business or part of an established business, or incidental or germane to such business, including a simultaneous purchase and taxable leaseback.

4. Delivery of tangible personal property outside the Commonwealth for use or consumption outside of the Commonwealth. Delivery of goods destined for foreign export to a factor or export agent shall be deemed to be delivery of goods for use or consumption outside of the Commonwealth.

5. Sales of tangible personal property to a nonsectarian youth organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and sponsoring a national or international camping assembly within this Commonwealth for seven continuous days or more with attendance in excess of 20,000, which sale of tangible personal property is for use or consumption at such camping assembly.

6. Tangible personal property purchased with food coupons issued by the United States Department of Agriculture under the Food Stamp Program or drafts issued through the Virginia Special Supplemental Food Program for Women, Infants, and Children.

7. From July 1, 1995, through June 30, 1999, tangible personal property purchased for use or consumption by or sold by a nonprofit organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively to promote efficiency and fairness in the offer and sale of securities for the benefit of investors, securities issuers, and the general public, by providing for electronic communication, filing, processing, dissemination and review of securities registration materials, and by serving as a database for securities law information filed with regulators having primary and immediate authority to administer the regulation of the commerce of securities.