1   **VIRGINIA ACTS OF ASSEMBLY — CHAPTER**

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

4   [H 2397]
5   Approved

6   **Be it enacted by the General Assembly of Virginia:**
7   **1. That § 58.1-401 of the Code of Virginia is amended and reenacted as follows:**
8   § 58.1-401. Exemptions and exclusions.
9   No tax levied pursuant to § 58.1-400 or § 58.1-400.1 is imposed on:
10   1. A public service corporation to the extent such corporation is subject to the license tax on gross
11   receipts contained in Chapter 26 of this title;
12   2. Insurance companies to the extent such company is subject to the license tax on gross premiums
13   under Chapter 25 of this title and reciprocal or interinsurance exchanges which pay a premium tax to the
14   Commonwealth as provided by law;
15   3. State and national banks, banking associations and trust companies to the extent such companies
16   are subject to the bank franchise tax on net capital;
17   3a. Credit unions organized and conducted as such under the laws of the Commonwealth or under
18   the laws of the United States;
19   4. Electing small business corporations (S corporations);
20   5. Religious, educational, benevolent and other corporations not organized or conducted for pecuniary
21   profit which by reason of their purposes or activities are exempt from income tax under the laws of the
22   United States, except those organizations which have unrelated business income or other taxable income
23   under such laws; ~~and~~
24   6. Telephone companies chartered in the Commonwealth which are exclusively a local mutual
25   association and are not designated to accumulate profits for the benefit of, or to pay dividends to, the
26   stockholders or members thereof *; and*
27   *7. Foreign sales corporations (FSC) and any income attributable to an FSC under the rules relating*
28   *to the taxation of an FSC in Part III, Subpart C of the Internal Revenue Code (§ 921 et seq.) and the*
29   *regulations thereunder.*