

25102296D

HOUSE BILL NO. 2675

Offered January 15, 2025

A BILL to amend and reenact § 58.1-609.6 of the Code of Virginia, relating to retail sales and use tax; media-related exemptions; sunset.

Patrons—Simon and Cousins

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-609.6 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-609.6. Media-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. Leasing, renting, or licensing of copyright audio or video tapes, and films for public exhibition at motion picture theaters or by licensed radio and television stations.

2. (i) Broadcasting equipment and parts and accessories thereto and towers used or to be used by commercial radio and television companies, wired or land-based wireless cable television systems, common carriers or video programmers using an open video system or other video platform provided by telephone common carriers, or concerns that are under the regulation and supervision of the Federal Communications Commission and (ii) amplification, transmission, distribution, and network equipment used or to be used by wired or land-based wireless (a) cable television systems, (b) open video systems, or (c) telephone common carriers.

3. Any publication issued daily, or regularly at average intervals not exceeding three months, and advertising supplements and any other printed matter ultimately distributed with or as part of such publications; however, newsstand sales of the same are taxable. As used in this subdivision, the term "newsstand sales" shall not include sales of back copies of publications by the publisher or his agent.

4. Catalogs, letters, brochures, reports, and similar printed materials, except administrative supplies, the envelopes, containers, and labels used for packaging and mailing same, and paper furnished to a printer for fabrication into such printed materials, when stored for 12 months or less in the Commonwealth and distributed for use without outside the Commonwealth. As used in this subdivision, "administrative supplies" includes, but is not limited to, letterhead, envelopes, and other stationery; and invoices, billing forms, payroll forms, price lists, time cards, computer cards, and similar supplies. Notwithstanding the provisions of subdivision 5 or the definition of "advertising" contained in § 58.1-602, (i) any advertising business located outside the Commonwealth which that purchases printing from a printer within the Commonwealth shall not be deemed the user or consumer of the printed materials when such purchases would have been exempt under this subdivision; and (ii) from July 1, 1995, through June 30, 2002, and beginning July 1, 2002, and ending July 1, 2025 2028, any advertising business which that purchases printing from a printer within the Commonwealth shall not be deemed the user or consumer of the printed materials when such purchases would have been exempt under subdivision 3 or this subdivision, provided that the advertising agency shall certify to the Tax Commissioner, upon request, that such printed material was distributed outside the Commonwealth and such certification shall be retained as a part of the transaction record and shall be subject to further review by the Tax Commissioner.

5. Advertising as defined in § 58.1-602.

6. Beginning July 1, 1995, and ending July 1, 2027:

a. (i) The lease, rental, license, sale, other transfer, or use of any audio or video tape, film, or other audiovisual work where the transferee or user acquires or has acquired the work for the purpose of licensing, distributing, broadcasting, commercially exhibiting, or reproducing the work or using or incorporating the work into another such work; (ii) the provision of production services or fabrication in connection with the production of any portion of such audiovisual work, including, but not limited to, scriptwriting, photography, sound, musical composition, special effects, animation, adaptation, dubbing, mixing, editing, cutting, and provision of production facilities or equipment; or (iii) the transfer or use of tangible personal property, including, but not limited to, scripts, musical scores, storyboards, artwork, film, tapes, and other media, incident to the performance of such services or fabrication; however, audiovisual works and incidental tangible personal property described in clauses (i) and (iii) shall be subject to tax as otherwise provided in this chapter to the extent of the value of their tangible components prior to their use in the production of any audiovisual work and prior to their enhancement by any production service; and

b. Equipment and parts and accessories thereto used or to be used in the production of such audiovisual works.

INTRODUCED

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59       7. Beginning July 1, 1998, and ending July 1, 2022, textbooks and other educational materials withdrawn  
60 from inventory at book-publishing distribution facilities for free distribution to professors and other  
61 individuals who have an educational focus.