

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-2900 of the Code of Virginia, relating to electricity consumption tax;*
 3 *rate adjustments.*

4 [S 1336]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-2900 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-2900. Imposition of tax.**

9 A. Effective January 1, 2001, there is hereby imposed, in addition to the local consumer utility tax of
 10 Article 4 (§ 58.1-3812 et seq.) of Chapter 38 and subject to the adjustments authorized by subdivision A 5
 11 and by § 58.1-2902, a tax on the consumers of electricity in the Commonwealth based on kilowatt hours
 12 delivered by the incumbent distribution utility and used per month as follows:

13 1. Each consumer of electricity in the Commonwealth shall pay electric utility consumption tax on all
 14 electricity consumed per month not in excess of 2,500 kWh at the rate of \$0.001595 per kWh, as follows:

15 State consumption	Special regulatory	Local consumption
16 tax rate	tax rate	tax rate
17 \$0.00102/kWh	\$0.000195/kWh	\$0.00038/kWh

18 2. Each consumer of electricity in the Commonwealth shall pay electric utility consumption tax on all
 19 electricity consumed per month in excess of 2,500 kWh but not in excess of 50,000 kWh at the rate of
 20 ~~\$0.00102~~ \$0.001085 per kWh, as follows:

21 State consumption	Special regulatory	Local consumption
22 tax rate	tax rate	tax rate
23 \$0.00065/kWh	\$0.000134/kWh \$0.000195/kWh	\$0.00024/kWh

24 3. Each consumer of electricity in the Commonwealth shall pay electric utility consumption tax on all
 25 electricity consumed per month in excess of 50,000 kWh at the rate of ~~\$0.000774~~ \$0.000875 per kWh, as
 26 follows:

27 State consumption	Special regulatory	Local consumption
28 tax rate	tax rate	tax rate
29 \$0.00050/kWh	\$0.0000914/kWh \$0.000195/kWh	\$0.00018/kWh

30 4. The tax rates set forth in subdivisions 1, 2, and 3 are in lieu of and replace the state gross receipts tax (§
 31 58.1-2626), the special regulatory revenue tax (§ 58.1-2660), and the local license tax (§ 58.1-3731) levied on
 32 corporations furnishing heat, light or power by means of electricity.

33 5. The tax on consumers under this section shall not be imposed on consumers served by an electric utility
 34 owned or operated by a municipality if such municipal electric utility elects to have an amount equivalent to
 35 the tax added on the bill such utility (or an association or agency of which it is a member) pays for bundled or
 36 unbundled transmission service as a separate item. Such amount, equivalent to the tax, shall be calculated
 37 under the tax rate schedule as if the municipal electric utility were selling and collecting the tax from its
 38 consumers, adjusted to exclude the amount which represents the local consumption tax if the locality in
 39 which a consumer is located does not impose a license fee rate pursuant to § 58.1-3731, and shall be remitted
 40 to the Commission pursuant to § 58.1-2901. Municipal electric utilities may bundle the tax in the rates
 41 charged to their retail customers. Notwithstanding anything contained herein to the contrary, the election
 42 permitted under this subdivision shall not be exercised by any municipal electric utility if the entity to whom
 43 the municipal electric utility (or an association or agency of which it is a member) pays for transmission
 44 service is not subject to the taxing jurisdiction of the Commonwealth, unless such entity agrees to remit to the
 45 Commonwealth all amounts equivalent to the tax pursuant to § 58.1-2901.

46 6. The tax on consumers set forth in subdivisions 1, 2, and 3 shall only be imposed in accordance with this
 47 subdivision on consumers of electricity purchased from a utility consumer services cooperative to the extent
 48 that such cooperative purchases, for the purpose of resale within the Commonwealth, electricity from a
 49 federal entity that made payments in accordance with federal law (i) in lieu of taxes during such taxable
 50 period to the Commonwealth and (ii) on the basis of such federal entity's gross proceeds resulting from the
 51 sale of such electricity. Such tax shall instead be calculated by deducting from each of the respective tax
 52 amounts calculated in accordance with subdivisions 1, 2, and 3 an amount equal to the calculated tax amount
 53 multiplied by the ratio of the total cost of power supplied by the federal entity, including facilities rental,
 54 during the taxable period to the utility consumer services cooperative's total operating revenue within the
 55 Commonwealth during the taxable period. The State Corporation Commission may audit the records and
 56 books of any utility consumer services cooperative that determines the tax on consumers in accordance with
 57 this subdivision to verify that the tax imposed has been correctly determined and properly remitted.

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58 B. The tax authorized by this chapter shall not apply to municipalities' own use or to use by divisions or
59 agencies of federal, state and local governments.

60 C. For purposes of this section, "kilowatt hours delivered" means in the case of eligible
61 customer-generators, as defined in § 56-594, those kilowatt hours supplied from the electric grid to such
62 customer-generators, minus the kilowatt hours generated and fed back to the electric grid by such
63 customer-generators.