

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-609.6 of the Code of Virginia, relating to retail sales and use tax; media-*  
 3 *related exemptions; sunset.*

4 [H 2675]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-609.6 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-609.6. Media-related exemptions.**9 The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not  
 10 apply to the following:11 1. Leasing, renting, or licensing of copyright audio or video tapes, and films for public exhibition at  
 12 motion picture theaters or by licensed radio and television stations.13 2. (i) Broadcasting equipment and parts and accessories thereto and towers used or to be used by  
 14 commercial radio and television companies, wired or land-based wireless cable television systems, common  
 15 carriers or video programmers using an open video system or other video platform provided by telephone  
 16 common carriers, or concerns that are under the regulation and supervision of the Federal Communications  
 17 Commission and (ii) amplification, transmission, distribution, and network equipment used or to be used by  
 18 wired or land-based wireless (a) cable television systems, (b) open video systems, or (c) telephone common  
 19 carriers.20 3. Any publication issued daily, or regularly at average intervals not exceeding three months, and  
 21 advertising supplements and any other printed matter ultimately distributed with or as part of such  
 22 publications; however, newsstand sales of the same are taxable. As used in this subdivision, the term  
 23 "newsstand sales" shall not include sales of back copies of publications by the publisher or his agent.24 4. Catalogs, letters, brochures, reports, and similar printed materials, except administrative supplies, the  
 25 envelopes, containers, and labels used for packaging and mailing same, and paper furnished to a printer for  
 26 fabrication into such printed materials, when stored for 12 months or less in the Commonwealth and  
 27 distributed for use ~~without~~ *outside* the Commonwealth. As used in this subdivision, "administrative supplies"  
 28 includes, ~~but is not limited to,~~ letterhead, envelopes, and other stationery; and invoices, billing forms, payroll  
 29 forms, price lists, time cards, computer cards, and similar supplies. Notwithstanding the provisions of  
 30 subdivision 5 or the definition of "advertising" contained in § 58.1-602, (i) any advertising business located  
 31 outside the Commonwealth ~~which~~ *that* purchases printing from a printer within the Commonwealth shall not  
 32 be deemed the user or consumer of the printed materials when such purchases would have been exempt under  
 33 this subdivision; and (ii) from July 1, 1995, through June 30, 2002, and beginning July 1, 2002, and ending  
 34 July 1, ~~2025~~ *2028*, any advertising business ~~which~~ *that* purchases printing from a printer within the  
 35 Commonwealth shall not be deemed the user or consumer of the printed materials when such purchases  
 36 would have been exempt under subdivision 3 or this subdivision, provided that the advertising agency shall  
 37 certify to the Tax Commissioner, upon request, that such printed material was distributed outside the  
 38 Commonwealth and such certification shall be retained as a part of the transaction record and shall be subject  
 39 to further review by the Tax Commissioner.

40 5. Advertising as defined in § 58.1-602.

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

42 a. (i) The lease, rental, license, sale, other transfer, or use of any audio or video tape, film, or other  
 43 audiovisual work where the transferee or user acquires or has acquired the work for the purpose of licensing,  
 44 distributing, broadcasting, commercially exhibiting, or reproducing the work or using or incorporating the  
 45 work into another such work; (ii) the provision of production services or fabrication in connection with the  
 46 production of any portion of such audiovisual work, including, ~~but not limited to,~~ scriptwriting, photography,  
 47 sound, musical composition, special effects, animation, adaptation, dubbing, mixing, editing, cutting, and  
 48 provision of production facilities or equipment; or (iii) the transfer or use of tangible personal property,  
 49 including, ~~but not limited to,~~ scripts, musical scores, storyboards, artwork, film, tapes, and other media,  
 50 incident to the performance of such services or fabrication; however, audiovisual works and incidental  
 51 tangible personal property described in clauses (i) and (iii) shall be subject to tax as otherwise provided in  
 52 this chapter to the extent of the value of their tangible components prior to their use in the production of any  
 53 audiovisual work and prior to their enhancement by any production service; and54 b. Equipment and parts and accessories thereto used or to be used in the production of such audiovisual  
 55 works.

56 7. Beginning July 1, 1998, and ending July 1, 2022, textbooks and other educational materials withdrawn

**57** from inventory at book-publishing distribution facilities for free distribution to professors and other  
**58** individuals who have an educational focus.