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HOUSE BILL NO. 720

Offered January 14, 2026

A *BILL* to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749, relating to tax on electronic distribution of material harmful to minors.

 Patron—Zehr

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749, as follows:

*Article 13.**Tax on Material Harmful to Minors.***§ 58.1-1749. Tax on electronic distribution of material harmful to minors.***A. For the purposes of this section:*

"Adult website" means a website, application, or digital or virtual platform that uses the internet to facilitate the dissemination of pictures, videos, or other content, a substantial portion of which is material harmful to minors.

"Material harmful to minors" means the same as that term is defined in § 8.01-40.5.

"Substantial portion" means the same as that term is defined in § 8.01-40.5.

B. In addition to all other taxes now imposed by law, there is hereby imposed a tax at the rate of 10 percent of the gross receipts of any commercial entity operating an adult website for all sales, distributions, memberships, subscriptions, performances, and other content amounting to material harmful to minors that is produced, sold, filmed, generated, or otherwise based in the Commonwealth.

C. The revenues generated by the tax imposed under this article shall be deposited into the Behavioral Health and Developmental Services Trust Fund established under § 37.2-318.

D. The Department shall collect, administer, and enforce this tax in the same manner that it collects, administers, and enforces the retail sales and use tax under Chapter 6 (§ 58.1-600 et seq.), mutatis mutandis.

E. The Tax Commissioner shall develop and make publicly available guidelines implementing the provisions of this article. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

2. That if any provision of the first enactment of this act is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such provision shall not be deemed severable.

INTRODUCED

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