

Senate Bill No. 535

(By Senators Nohe and Boso)

[Introduced February 20, 2015; referred to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-15-9 of the Code of West Virginia, 1931, as amended, relating to exempting certain community rehabilitation programs from the payment of taxes relating to sales of personal property and services.

Be it enacted by the Legislature of West Virginia:

That §11-15-9 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

§11-15-9. Exemptions.

(a) *Exemptions for which exemption certificate may be issued.* -- A person having a right or claim to any exemption set forth in this subsection may, in lieu of paying the tax imposed by this article and filing a claim for refund, execute a certificate of exemption, in the form required by the Tax Commissioner, and deliver it to the vendor of the property or service in the manner required by the Tax Commissioner. However, the Tax Commissioner may, by rule, specify those exemptions authorized in this subsection for which exemption certificates are not required. The following sales

1 of tangible personal property and services are exempt as provided in this subsection:

2 (1) Sales of gas, steam and water delivered to consumers through mains or pipes and sales
3 of electricity;

4 (2) Sales of textbooks required to be used in any of the schools of this state or in any
5 institution in this state which qualifies as a nonprofit or educational institution subject to the West
6 Virginia Department of Education and the Arts, the board of Trustees of the University System of
7 West Virginia or the board of directors for colleges located in this state;

8 (3) Sales of property or services to this state, its institutions or subdivisions, governmental
9 units, institutions or subdivisions of other states: *Provided*, That the law of the other state provides
10 the same exemption to governmental units or subdivisions of this state and to the United States,
11 including agencies of federal, state or local governments for distribution in public welfare or relief
12 work;

13 (4) Sales of vehicles which are titled by the Division of Motor Vehicles and which are subject
14 to the tax imposed by section four, article three, chapter seventeen-a of this code or like tax;

15 (5) Sales of property or services to churches which make no charge whatsoever for the
16 services they render: *Provided*, That the exemption granted in this subdivision applies only to
17 services, equipment, supplies, food for meals and materials directly used or consumed by these
18 organizations and does not apply to purchases of gasoline or special fuel;

19 (6) Sales of tangible personal property or services to a corporation or organization which has
20 a current registration certificate issued under article twelve of this chapter, which is exempt from
21 federal income taxes under Section 501(c)(3) or (c)(4) of the Internal Revenue Code of 1986, as
22 amended, and which is:

1 (A) A church or a convention or association of churches as defined in Section 170 of the
2 Internal Revenue Code of 1986, as amended;

3 (B) An elementary or secondary school which maintains a regular faculty and curriculum and
4 has a regularly enrolled body of pupils or students in attendance at the place in this state where its
5 educational activities are regularly carried on;

6 (C) A corporation or organization which annually receives more than one half of its support
7 from any combination of gifts, grants, direct or indirect charitable contributions or membership fees;

8 (D) An organization which has no paid employees and its gross income from fundraisers, less
9 reasonable and necessary expenses incurred to raise the gross income (or the tangible personal
10 property or services purchased with the net income), is donated to an organization which is exempt
11 from income taxes under Section 501(c)(3) or (c)(4) of the Internal Revenue Code of 1986, as
12 amended;

13 (E) A youth organization, such as the Girl Scouts of the United States of America, the Boy
14 Scouts of America or the YMCA Indian Guide/Princess Program and the local affiliates thereof,
15 which is organized and operated exclusively for charitable purposes and has as its primary purpose
16 the nonsectarian character development and citizenship training of its members;

17 (F) Community rehabilitation programs, designated by the Division of Rehabilitation
18 Services, which are exempt from federal income taxes under Section 501(c)(3) of the Internal
19 Revenue Code of 1986, as amended.

20 ~~(F)~~ (G) For purposes of this subsection:

21 (i) The term "support" includes, but is not limited to:

22 (I) Gifts, grants, contributions or membership fees;

1 (II) Gross receipts from fundraisers which include receipts from admissions, sales of
2 merchandise, performance of services or furnishing of facilities in any activity which is not an
3 unrelated trade or business within the meaning of Section 513 of the Internal Revenue Code of 1986,
4 as amended;

5 (III) Net income from unrelated business activities, whether or not the activities are carried
6 on regularly as a trade or business;

7 (IV) Gross investment income as defined in Section 509(e) of the Internal Revenue Code of
8 1986, as amended;

9 (V) Tax revenues levied for the benefit of a corporation or organization either paid to or
10 expended on behalf of the organization; and

11 (VI) The value of services or facilities (exclusive of services or facilities generally furnished
12 to the public without charge) furnished by a governmental unit referred to in Section 170(c)(1) of
13 the Internal Revenue Code of 1986, as amended, to an organization without charge. This term does
14 not include any gain from the sale or other disposition of property which would be considered as gain
15 from the sale or exchange of a capital asset or the value of an exemption from any federal, state or
16 local tax or any similar benefit;

17 (ii) The term "charitable contribution" means a contribution or gift to or for the use of a
18 corporation or organization, described in Section 170(c)(2) of the Internal Revenue Code of 1986,
19 as amended; and

20 (iii) The term "membership fee" does not include any amounts paid for tangible personal
21 property or specific services rendered to members by the corporation or organization;

22 ~~(G)~~ (H) The exemption allowed by this subdivision does not apply to sales of gasoline or

1 special fuel or to sales of tangible personal property or services to be used or consumed in the
2 generation of unrelated business income as defined in Section 513 of the Internal Revenue Code of
3 1986, as amended. The exemption granted in this subdivision applies only to services, equipment,
4 supplies and materials used or consumed in the activities for which the organizations qualify as tax-
5 exempt organizations under the Internal Revenue Code and does not apply to purchases of gasoline
6 or special fuel;

7 (7) An isolated transaction in which any taxable service or any tangible personal property is
8 sold, transferred, offered for sale or delivered by the owner of the property or by his or her
9 representative for the owner's account, the sale, transfer, offer for sale or delivery not being made
10 in the ordinary course of repeated and successive transactions of like character by the owner or on
11 his or her account by the representative: *Provided*, That nothing contained in this subdivision may
12 be construed to prevent an owner who sells, transfers or offers for sale tangible personal property in
13 an isolated transaction through an auctioneer from availing himself or herself of the exemption
14 provided in this subdivision, regardless of where the isolated sale takes place. The Tax
15 Commissioner may propose a legislative rule for promulgation pursuant to article three, chapter
16 twenty-nine-a of this code which he or she considers necessary for the efficient administration of this
17 exemption;

18 (8) Sales of tangible personal property or of any taxable services rendered for use or
19 consumption in connection with the commercial production of an agricultural product the ultimate
20 sale of which is subject to the tax imposed by this article or which would have been subject to tax
21 under this article: *Provided*, That sales of tangible personal property and services to be used or
22 consumed in the construction of or permanent improvement to real property and sales of gasoline

1 and special fuel are not exempt: *Provided, however,* That nails and fencing may not be considered
2 as improvements to real property;

3 (9) Sales of tangible personal property to a person for the purpose of resale in the form of
4 tangible personal property: *Provided,* That sales of gasoline and special fuel by distributors and
5 importers is taxable except when the sale is to another distributor for resale: *Provided, however,*
6 That sales of building materials or building supplies or other property to any person engaging in the
7 activity of contracting, as defined in this article, which is to be installed in, affixed to or incorporated
8 by that person or his or her agent into any real property, building or structure is not exempt under
9 this subdivision;

10 (10) Sales of newspapers when delivered to consumers by route carriers;

11 (11) Sales of drugs, durable medical goods, mobility-enhancing equipment and prosthetic
12 devices dispensed upon prescription and sales of insulin to consumers for medical purposes. The
13 amendment to this subdivision shall apply to sales made after December 31, 2003;

14 (12) Sales of radio and television broadcasting time, preprinted advertising circulars and
15 newspaper and outdoor advertising space for the advertisement of goods or services;

16 (13) Sales and services performed by day care centers;

17 (14) Casual and occasional sales of property or services not conducted in a repeated manner
18 or in the ordinary course of repetitive and successive transactions of like character by a corporation
19 or organization which is exempt from tax under subdivision (6) of this subsection on its purchases
20 of tangible personal property or services. For purposes of this subdivision, the term "casual and
21 occasional sales not conducted in a repeated manner or in the ordinary course of repetitive and
22 successive transactions of like character" means sales of tangible personal property or services at

1 fundraisers sponsored by a corporation or organization which is exempt, under subdivision (6) of this
2 subsection, from payment of the tax imposed by this article on its purchases when the fundraisers
3 are of limited duration and are held no more than six times during any twelve-month period and
4 "limited duration" means no more than eighty-four consecutive hours: *Provided*, That sales for
5 volunteer fire departments and volunteer school support groups, with duration of events being no
6 more than eighty-four consecutive hours at a time, which are held no more than eighteen times in
7 a twelve-month period for the purposes of this subdivision are considered "casual and occasional
8 sales not conducted in a repeated manner or in the ordinary course of repetitive and successive
9 transactions of a like character";

10 (15) Sales of property or services to a school which has approval from the board of Trustees
11 of the University System of West Virginia or the board of Directors of the state College System to
12 award degrees, which has its principal campus in this state and which is exempt from federal and
13 state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended:
14 *Provided*, That sales of gasoline and special fuel are taxable;

15 (16) Sales of lottery tickets and materials by licensed lottery sales agents and lottery retailers
16 authorized by the state Lottery Commission, under the provisions of article twenty-two, chapter
17 twenty-nine of this code;

18 (17) Leases of motor vehicles titled pursuant to the provisions of article three, chapter
19 seventeen-a of this code to lessees for a period of thirty or more consecutive days;

20 (18) Notwithstanding the provisions of section eighteen or eighteen-b of this article or any
21 other provision of this article to the contrary, sales of propane to consumers for poultry house heating
22 purposes, with any seller to the consumer who may have prior paid the tax in his or her price, to not

1 pass on the same to the consumer, but to make application and receive refund of the tax from the Tax
2 Commissioner pursuant to rules which are promulgated after being proposed for legislative approval
3 in accordance with chapter twenty-nine-a of this code by the Tax Commissioner;

4 (19) Any sales of tangible personal property or services purchased and lawfully paid for with
5 food stamps pursuant to the federal food stamp program codified in 7 U. S. C. §2011, *et seq.*, as
6 amended, or with drafts issued through the West Virginia special supplement food program for
7 women, infants and children codified in 42 U. S. C. §1786;

8 (20) Sales of tickets for activities sponsored by elementary and secondary schools located
9 within this state;

10 (21) Sales of electronic data processing services and related software: *Provided*, That, for
11 the purposes of this subdivision, "electronic data processing services" means:

12 (A) The processing of another's data, including all processes incident to processing of data
13 such as keypunching, keystroke verification, rearranging or sorting of previously documented data
14 for the purpose of data entry or automatic processing and changing the medium on which data is
15 sorted, whether these processes are done by the same person or several persons; and

16 (B) Providing access to computer equipment for the purpose of processing data or examining
17 or acquiring data stored in or accessible to the computer equipment;

18 (22) Tuition charged for attending educational summer camps;

19 (23) Dispensing of services performed by one corporation, partnership or limited liability
20 company for another corporation, partnership or limited liability company when the entities are
21 members of the same controlled group or are related taxpayers as defined in Section 267 of the
22 Internal Revenue Code. "Control" means ownership, directly or indirectly, of stock, equity interests

1 or membership interests possessing fifty percent or more of the total combined voting power of all
2 classes of the stock of a corporation, equity interests of a partnership or membership interests of a
3 limited liability company entitled to vote or ownership, directly or indirectly, of stock, equity
4 interests or membership interests possessing fifty percent or more of the value of the corporation,
5 partnership or limited liability company;

6 (24) Food for the following are exempt:

7 (A) Food purchased or sold by a public or private school, school-sponsored student
8 organizations or school-sponsored parent-teacher associations to students enrolled in the school or
9 to employees of the school during normal school hours; but not those sales of food made to the
10 general public;

11 (B) Food purchased or sold by a public or private college or university or by a student
12 organization officially recognized by the college or university to students enrolled at the college or
13 university when the sales are made on a contract basis so that a fixed price is paid for consumption
14 of food products for a specific period of time without respect to the amount of food product actually
15 consumed by the particular individual contracting for the sale and no money is paid at the time the
16 food product is served or consumed;

17 (C) Food purchased or sold by a charitable or private nonprofit organization, a nonprofit
18 organization or a governmental agency under a program to provide food to low-income persons at
19 or below cost;

20 (D) Food sold by a charitable or private nonprofit organization, a nonprofit organization or
21 a governmental agency under a program operating in West Virginia for a minimum of five years to
22 provide food at or below cost to individuals who perform a minimum of two hours of community

1 service for each unit of food purchased from the organization;

2 (E) Food sold in an occasional sale by a charitable or nonprofit organization, including
3 volunteer fire departments and rescue squads, if the purpose of the sale is to obtain revenue for the
4 functions and activities of the organization and the revenue obtained is actually expended for that
5 purpose;

6 (F) Food sold by any religious organization at a social or other gathering conducted by it or
7 under its auspices, if the purpose in selling the food is to obtain revenue for the functions and
8 activities of the organization and the revenue obtained from selling the food is actually used in
9 carrying out those functions and activities: *Provided*, That purchases made by the organizations are
10 not exempt as a purchase for resale; or

11 (G) Food sold by volunteer fire departments and rescue squads that are exempt from federal
12 income taxes under Section 501(c)(3) or (c)(4) of the Internal Revenue Code of 1986, as amended,
13 when the purpose of the sale is to obtain revenue for the functions and activities of the organization
14 and the revenue obtained is exempt from federal income tax and actually expended for that purpose;

15 (25) Sales of food by little leagues, midget football leagues, youth football or soccer leagues,
16 band boosters or other school or athletic booster organizations supporting activities for grades
17 kindergarten through twelve and similar types of organizations, including scouting groups and
18 church youth groups, if the purpose in selling the food is to obtain revenue for the functions and
19 activities of the organization and the revenues obtained from selling the food is actually used in
20 supporting or carrying on functions and activities of the groups: *Provided*, That the purchases made
21 by the organizations are not exempt as a purchase for resale;

22 (26) Charges for room and meals by fraternities and sororities to their members: *Provided*,

1 That the purchases made by a fraternity or sorority are not exempt as a purchase for resale;

2 (27) Sales of or charges for the transportation of passengers in interstate commerce;

3 (28) Sales of tangible personal property or services to any person which this state is
4 prohibited from taxing under the laws of the United States or under the Constitution of this state;

5 (29) Sales of tangible personal property or services to any person who claims exemption from
6 the tax imposed by this article or article fifteen-a of this chapter pursuant to the provision of any
7 other chapter of this code;

8 (30) Charges for the services of opening and closing a burial lot;

9 (31) Sales of livestock, poultry or other farm products in their original state by the producer
10 of the livestock, poultry or other farm products or a member of the producer's immediate family who
11 is not otherwise engaged in making retail sales of tangible personal property; and sales of livestock
12 sold at public sales sponsored by breeders or registry associations or livestock auction markets:
13 *Provided*, That the exemptions allowed by this subdivision may be claimed without presenting or
14 obtaining exemption certificates provided the farmer maintains adequate records;

15 (32) Sales of motion picture films to motion picture exhibitors for exhibition if the sale of
16 tickets or the charge for admission to the exhibition of the film is subject to the tax imposed by this
17 article and sales of coin-operated video arcade machines or video arcade games to a person engaged
18 in the business of providing the machines to the public for a charge upon which the tax imposed by
19 this article is remitted to the Tax Commissioner: *Provided*, That the exemption provided in this
20 subdivision may be claimed by presenting to the seller a properly executed exemption certificate;

21 (33) Sales of aircraft repair, remodeling and maintenance services when the services are to
22 an aircraft operated by a certified or licensed carrier of persons or property, or by a governmental

1 entity, or to an engine or other component part of an aircraft operated by a certificated or licensed
2 carrier of persons or property, or by a governmental entity and sales of tangible personal property
3 that is permanently affixed or permanently attached as a component part of an aircraft owned or
4 operated by a certificated or licensed carrier of persons or property, or by a governmental entity, as
5 part of the repair, remodeling or maintenance service and sales of machinery, tools or equipment
6 directly used or consumed exclusively in the repair, remodeling or maintenance of aircraft, aircraft
7 engines or aircraft component parts for a certificated or licensed carrier of persons or property or for
8 a governmental entity;

9 (34) Charges for memberships or services provided by health and fitness organizations
10 relating to personalized fitness programs;

11 (35) Sales of services by individuals who babysit for a profit: *Provided*, That the gross
12 receipts of the individual from the performance of baby-sitting services do not exceed \$5,000 in a
13 taxable year;

14 (36) Sales of services by public libraries or by libraries at academic institutions or by libraries
15 at institutions of higher learning;

16 (37) Commissions received by a manufacturer's representative;

17 (38) Sales of primary opinion research services when:

18 (A) The services are provided to an out-of-state client;

19 (B) The results of the service activities, including, but not limited to, reports, lists of focus
20 group recruits and compilation of data are transferred to the client across state lines by mail, wire or
21 other means of interstate commerce, for use by the client outside the State of West Virginia; and

22 (C) The transfer of the results of the service activities is an indispensable part of the overall

1 service.

2 For the purpose of this subdivision, the term "primary opinion research" means original
3 research in the form of telephone surveys, mall intercept surveys, focus group research, direct mail
4 surveys, personal interviews and other data collection methods commonly used for quantitative and
5 qualitative opinion research studies;

6 (39) Sales of property or services to persons within the state when those sales are for the
7 purposes of the production of value-added products: *Provided*, That the exemption granted in this
8 subdivision applies only to services, equipment, supplies and materials directly used or consumed
9 by those persons engaged solely in the production of value-added products: *Provided, however*, That
10 this exemption may not be claimed by any one purchaser for more than five consecutive years,
11 except as otherwise permitted in this section.

12 For the purpose of this subdivision, the term "value-added product" means the following
13 products derived from processing a raw agricultural product, whether for human consumption or for
14 other use. For purposes of this subdivision, the following enterprises qualify as processing raw
15 agricultural products into value-added products: Those engaged in the conversion of:

16 (A) Lumber into furniture, toys, collectibles and home furnishings;

17 (B) Fruits into wine;

18 (C) Honey into wine;

19 (D) Wool into fabric;

20 (E) Raw hides into semifinished or finished leather products;

21 (F) Milk into cheese;

22 (G) Fruits or vegetables into a dried, canned or frozen product;

1 (H) Feeder cattle into commonly accepted slaughter weights;

2 (I) Aquatic animals into a dried, canned, cooked or frozen product; and

3 (J) Poultry into a dried, canned, cooked or frozen product;

4 (40) Sales of music instructional services by a music teacher and artistic services or artistic

5 performances of an entertainer or performing artist pursuant to a contract with the owner or operator

6 of a retail establishment, restaurant, inn, bar, tavern, sports or other entertainment facility or any

7 other business location in this state in which the public or a limited portion of the public may

8 assemble to hear or see musical works or other artistic works be performed for the enjoyment of the

9 members of the public there assembled when the amount paid by the owner or operator for the

10 artistic service or artistic performance does not exceed \$3,000: *Provided*, That nothing contained

11 herein may be construed to deprive private social gatherings, weddings or other private parties from

12 asserting the exemption set forth in this subdivision. For the purposes of this exemption, artistic

13 performance or artistic service means and is limited to the conscious use of creative power,

14 imagination and skill in the creation of aesthetic experience for an audience present and in

15 attendance and includes, and is limited to, stage plays, musical performances, poetry recitations and

16 other readings, dance presentation, circuses and similar presentations and does not include the

17 showing of any film or moving picture, gallery presentations of sculptural or pictorial art, nude or

18 strip show presentations, video games, video arcades, carnival rides, radio or television shows or any

19 video or audio taped presentations or the sale or leasing of video or audio tapes, air shows or any

20 other public meeting, display or show other than those specified herein: *Provided, however*, That

21 nothing contained herein may be construed to exempt the sales of tickets from the tax imposed in

22 this article. The State Tax Commissioner shall propose a legislative rule pursuant to article three,

1 chapter twenty-nine-a of this code establishing definitions and eligibility criteria for asserting this
2 exemption which is not inconsistent with the provisions set forth herein: *Provided further*, That
3 nude dancers or strippers may not be considered as entertainers for the purposes of this exemption;

4 (41) Charges to a member by a membership association or organization which is exempt from
5 paying federal income taxes under Section 501(c)(3) or (c)(6) of the Internal Revenue Code of 1986,
6 as amended, for membership in the association or organization, including charges to members for
7 newsletters prepared by the association or organization for distribution primarily to its members,
8 charges to members for continuing education seminars, workshops, conventions, lectures or courses
9 put on or sponsored by the association or organization, including charges for related course materials
10 prepared by the association or organization or by the speaker or speakers for use during the
11 continuing education seminar, workshop, convention, lecture or course, but not including any
12 separate charge or separately stated charge for meals, lodging, entertainment or transportation taxable
13 under this article: *Provided*, That the association or organization pays the tax imposed by this article
14 on its purchases of meals, lodging, entertainment or transportation taxable under this article for
15 which a separate or separately stated charge is not made. A membership association or organization
16 which is exempt from paying federal income taxes under Section 501(c)(3) or (c)(6) of the Internal
17 Revenue Code of 1986, as amended, may elect to pay the tax imposed under this article on the
18 purchases for which a separate charge or separately stated charge could apply and not charge its
19 members the tax imposed by this article or the association or organization may avail itself of the
20 exemption set forth in subdivision (9) of this subsection relating to purchases of tangible personal
21 property for resale and then collect the tax imposed by this article on those items from its member;

22 (42) Sales of governmental services or governmental materials by county assessors, county

1 sheriffs, county clerks or circuit clerks in the normal course of local government operations;

2 (43) Direct or subscription sales by the Division of Natural Resources of the magazine
3 currently entitled *Wonderful West Virginia* and by the Division of Culture and History of the
4 magazine currently entitled *Goldenseal* and the journal currently entitled *West Virginia History*;

5 (44) Sales of soap to be used at car wash facilities;

6 (45) Commissions received by a travel agency from an out-of-state vendor;

7 (46) The service of providing technical evaluations for compliance with federal and state
8 environmental standards provided by environmental and industrial consultants who have formal
9 certification through the West Virginia Department of Environmental Protection or the West
10 Virginia Bureau for Public Health or both. For purposes of this exemption, the service of providing
11 technical evaluations for compliance with federal and state environmental standards includes those
12 costs of tangible personal property directly used in providing such services that are separately billed
13 to the purchaser of such services and on which the tax imposed by this article has previously been
14 paid by the service provider;

15 (47) Sales of tangible personal property and services by volunteer fire departments and rescue
16 squads that are exempt from federal income taxes under Section 501(c)(3) or (c)(4) of the Internal
17 Revenue Code of 1986, as amended, if the sole purpose of the sale is to obtain revenue for the
18 functions and activities of the organization and the revenue obtained is exempt from federal income
19 tax and actually expended for that purpose;

20 (48) Lodging franchise fees, including royalties, marketing fees, reservation system fees or
21 other fees assessed after December 1, 1997, that have been or may be imposed by a lodging
22 franchiser as a condition of the franchise agreement; and

1 (49) Sales of the regulation size United States flag and the regulation size West Virginia flag
2 for display.

3 (b) *Refundable exemptions.* -- Any person having a right or claim to any exemption set forth
4 in this subsection shall first pay to the vendor the tax imposed by this article and then apply to the
5 Tax Commissioner for a refund or credit, or as provided in section nine-d of this article, give to the
6 vendor his or her West Virginia direct pay permit number. The following sales of tangible personal
7 property and services are exempt from tax as provided in this subsection:

8 (1) Sales of property or services to bona fide charitable organizations who make no charge
9 whatsoever for the services they render: *Provided,* That the exemption granted in this subdivision
10 applies only to services, equipment, supplies, food, meals and materials directly used or consumed
11 by these organizations and does not apply to purchases of gasoline or special fuel;

12 (2) Sales of services, machinery, supplies and materials directly used or consumed in the
13 activities of manufacturing, transportation, transmission, communication, production of natural
14 resources, gas storage, generation or production or selling electric power, provision of a public utility
15 service or the operation of a utility service or the operation of a utility business, in the businesses or
16 organizations named in this subdivision and does not apply to purchases of gasoline or special fuel;

17 (3) Sales of property or services to nationally chartered fraternal or social organizations for
18 the sole purpose of free distribution in public welfare or relief work: *Provided,* That sales of
19 gasoline and special fuel are taxable;

20 (4) Sales and services, firefighting or station house equipment, including construction and
21 automotive, made to any volunteer fire department organized and incorporated under the laws of the
22 State of West Virginia: *Provided,* That sales of gasoline and special fuel are taxable;

1 (5) Sales of building materials or building supplies or other property to an organization
2 qualified under Section 501(c)(3) or (c)(4) of the Internal Revenue Code of 1986, as amended, which
3 are to be installed in, affixed to or incorporated by the organization or its agent into real property or
4 into a building or structure which is or will be used as permanent low-income housing, transitional
5 housing, an emergency homeless shelter, a domestic violence shelter or an emergency children and
6 youth shelter if the shelter is owned, managed, developed or operated by an organization qualified
7 under Section 501(c)(3) or (c)(4) of the Internal Revenue Code of 1986, as amended; and

8 (6) Sales of construction and maintenance materials acquired by a second party for use in the
9 construction or maintenance of a highway project: *Provided*, That in lieu of any refund or credit to
10 the person that paid the tax imposed by this article, the Tax Commissioner shall pay to the Division
11 of Highways for deposit into the State Road Fund of the state reimbursement for the tax in the
12 amount estimated under the provisions of this subdivision: *Provided, however*, That by June 15 of
13 each fiscal year, the division shall provide to the Tax Department an itemized listing of highways
14 projects with the amount of funds expended for highway construction and maintenance. The
15 Commissioner of Highways shall request reimbursement of the tax based on an estimate that forty
16 percent of the total gross funds expended by the agency during the fiscal period were for the
17 acquisition of materials used for highway construction and maintenance. The amount of the
18 reimbursement shall be calculated at six percent of the forty percent.

NOTE: The purpose of this bill is to exempt certain community rehabilitation programs from the payment of taxes relating to sales of personal property and services.

Strike-throughs indicate language that would be stricken from the present law, and

underscoring indicates new language that would be added.