
VIRGINIA STATE BUDGET

2010 Session

Budget Bill - HB29 (Introduced)

Bill Order » Office of Finance » Item 272

Department of Taxation

Item 272 (Not set out)

On and after July 1, 2006, the Department of Taxation shall cease its current interpretive application of the "true object" test to contractors who provide services to the United States, the Commonwealth, or any political subdivision or instrumentality thereof. Effective for "work orders", "statements of work" and "task orders," entered into on and after July 1, 2006, the Department of Taxation shall make a taxability determination regarding the true object of the transaction entered into with the government entity based upon the true object of each separate "work order", "statement of work" and "task order," rather than the true object of the underlying contract between the government entity and such contractor. Nothing in this paragraph shall be construed to extend an exemption to materials, equipment, or other tangible personal property purchased by a contractor for use in real estate construction contracts with a governmental entity.