

**DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement**

1. Patron Broman

3. Committee Passed House and Senate

4. Title Consumer Utility Tax: Town of Orange

2. Bill Number HB 274

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. Summary/Purpose:

This bill would authorize the Town of Orange to impose a consumer utility tax on telegraph and telephone companies. The bill also provides that at such time an ordinance is enacted to impose the tax, the County of Orange may no longer impose the consumer utility tax within the limits of the Town of Orange. The County of Orange currently imposes such a tax.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Unknown (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. It would have a potential positive revenue impact on the Town of Orange and a negative revenue impact on Orange County.

9. Specific agency or political subdivisions affected:

Town of Orange and Orange County

10. Technical amendment necessary: None.

11. Other comments:

Under current law, counties are prohibited from imposing the consumer utility tax on telephone and telegraph companies within incorporated towns: (1) that constitute a separate school district and impose a consumer utility tax, or (2) that enacted an ordinance on or before January 1, 2000 to impose the tax. Furthermore, a town located within a county that imposes a county consumer utility tax is prohibited from imposing a similar tax. This bill would create an exception for the Town of Orange.

cc: Secretary of Finance

Date: 2/15/02/SLR

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