

## Department of Planning and Budget 2003 Fiscal Impact Statement

**1. Bill Number** HB1872

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** O'Bannon

**3. Committee** Appropriations

**4. Title** Virginia Taxpayer Surplus Relief Fund

**5. Summary/Purpose:** The bill would establish a mechanism to provide tax relief to Virginia taxpayers when the Auditor of Public Accounts determines the Revenue Stabilization Fund has reached its maximum size as provided in the Constitution of Virginia. The excess funds would be deposited into a special non-reverting fund (the "Virginia Taxpayer Surplus Relief Fund") and must be used by the next session of the General Assembly to provide tax relief to Virginia taxpayers. Excess funds are considered to be those funds that accrue to the credit of the Revenue Stabilization Fund in excess of the 10 percent limitation calculated by the Auditor of Public Accounts. Under current law, these funds would be paid into the general fund.

**6. Fiscal impact:** Under current law, such excess funds are repaid into the general fund of the state treasury. This bill would require that such funds be used to provide tax relief to Virginia taxpayers. At this time DPB cannot estimate the potential amount of such excess funds.

The bill does not define the manner in which tax relief would be provided; therefore, it is not possible to estimate the administrative costs associated with this legislation. Similar legislation (HB274) proposed in the 2000 General Assembly Session would have required refunds based on each taxpayer's pro-rata share of the excess revenues. Under that proposal the annual administrative costs to the Department of Taxation would have exceeded \$1.7 million and required nine additional full-time positions.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** See Item 6.

**9. Specific agency or political subdivision affected:** Department of Accounts; Department of Taxation; Auditor of Public Accounts.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/09/03/mar

**Document:** G:\LEGIS\2003\FIS\Hb1872.DOC

cc: Secretary of Finance  
Auditor of Public Accounts