

Department of Planning and Budget

2003 Fiscal Impact Statement

1. Bill Number SB960

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Chichester

3. Committee Finance

4. Title Revenue Stabilization Fund

5. Summary/Purpose: The bill would require the Governor to include in the Budget Bill an additional amount for deposit to the Revenue Stabilization Fund in excess of any mandatory deposit required by Article X, Section 8 of the Constitution of Virginia if the annual percentage increase in the certified tax revenues is equal to or greater than 1.5 times the average annual percent age increase in the certified tax revenues for the six fiscal years immediately preceding the most recently ended fiscal year. Any such additional amount would have to be equal to at least 25 percent of the product of the certified tax revenues collected in the most recently ended fiscal year multiplied by the difference between the annual percentage increase in the certified tax revenues collected for the most recently ended fiscal year and the average percentage increase in the certified tax revenues collected in the six fiscal years immediately preceding the most recently ended fiscal year (one-half of the amount required for the mandatory deposit).

6. Fiscal impact: Based upon the most recent estimates of tax revenues provided by the Department of Taxation, no additional deposits in excess of mandatory deposits to the Revenue Stabilization Fund would be required through at least FY 2008. If this provision had been in effect since the Revenue Stabilization Fund was created, an additional deposit of \$61.9 million would have been required in FY 1999 (based on certified tax revenues collected in FY 1997) and an additional deposit of \$97.1 million would have been required in FY 2000 (based on certified tax revenues in FY 1998).

7. Budget amendment necessary: No.

8. Fiscal implications: See Item 6.

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

10. Technical amendment necessary: Yes. Insert "annual" after "average" only in line 30 of the introduced bill.

11. Other comments: None.

Date: 01/15/03/mar

Document: G:\LEGIS\2003\FIS\Sb960.DOC

cc: Secretary of Finance
Auditor of Public Accounts