

DEPARTMENT OF TAXATION

2004 Fiscal Impact Statement

1. **Patron** Richard L. Saslaw

2. **Bill Number** SB 643

House of Origin:

 Introduced

 Substitute

 Engrossed

3. **Committee** House Finance

4. **Title** Local Government Taxing Authority

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would add any county with the urban county executive form of government to the counties authorized to impose a local food and beverage tax at a rate not exceeding four percent by adoption of a local ordinance, rather than after a referendum vote.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

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

8. **Fiscal implications:**

This bill would have no impact on state revenues. Fairfax is the only county with the urban county executive form of government. The immediate impact on local revenue in Fairfax County is uncertain because it is not known whether Fairfax County would impose a local food and beverage tax and at what rate it would impose the tax. Fairfax County does not currently impose a food and beverage tax

9. **Specific agency or political subdivisions affected:**

Fairfax County

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

11. **Other comments:**

Under current law, any county may impose a food and beverage tax at a maximum rate of up to four percent, provided the food and beverage tax is approved by referendum vote within the locality or upon the filing of a petition signed by at least ten percent of the registered voters within the locality.

Loudoun County, Montgomery County, Roanoke County and any county having a county manager plan of government may impose an additional food and beverage tax not to exceed four percent by adoption of local ordinance. This bill would add Fairfax County to that group of localities.

Senate Bill 213 would add Giles County to the counties authorized to impose a local food and beverage tax not to exceed four percent by adoption of a local ordinance, rather than after a referendum vote.

House Bill 412, as introduced, would authorize any county to impose a local cigarette tax, admissions tax, transient occupancy tax or meals tax. Additionally, House Bill 412 would prohibit any locality from imposing a new, or increasing an existing, local meals tax unless such tax or tax rate increase is first approved by referendum vote within the city or town.

cc : Secretary of Finance

Date: 2/17/2004 JEM