

**DEPARTMENT OF TAXATION
2005 Fiscal Impact Statement**

1. Patron John S. Edwards

2. Bill Number SB 720

3. Committee House Finance

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. Title Local Meals Tax: Giles County

Second House:

☒ In Committee

☐ Substitute

☐ Enrolled

5. Summary/Purpose:

This bill would add Giles County to the list of counties authorized to impose a local food and beverage tax at a rate not to exceed four percent by adoption of a local ordinance, rather than 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. The immediate revenue impact in Giles County is uncertain because it is not known whether Giles County would impose a local food and beverage tax and at what rate it would impose the tax. Giles County does not currently impose a food and beverage tax.

9. Specific agency or political subdivisions affected:

Giles 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, and initiated either by a resolution of the board of supervisors for the county or by the filing of a petition signed by at least ten percent of the registered voters within the locality. Only Roanoke, Rockbridge, Frederick and Arlington Counties are exempt from this requirement. These counties are allowed to impose a food and beverage tax not to exceed four percent as long of the governing body of the county has held a

public hearing on the matter and the governing body votes unanimously to impose the food and beverage tax. This bill would include Giles County in this group of localities.

Senate Bill 755 would add Montgomery and Washington Counties to the counties authorized to impose a local meals tax not to exceed four percent by adoption of a local ordinance, rather than after a referendum vote.

cc : Secretary of Finance

Date: 2/8/2005 SM
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