

**DEPARTMENT OF TAXATION
2005 Fiscal Impact Statement**

1. Patron William C. Wampler, Jr.

2. Bill Number SB 755

3. Committee Senate Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. Title Local Meals Tax: Washington County

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would include Washington County in 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. No Fiscal Impact: (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. The revenue impact in Washington County is uncertain because it is not known whether Washington County would impose a local food and beverage tax and at what rate it would impose the tax. Washington County does not currently impose a food and beverage tax.

9. Specific agency or political subdivisions affected:

Washington 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 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 as 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 Washington County in this group of localities.

Senate Bill 720 would add Giles County 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: 1/14/2005 SM
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