

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number SB794E

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

2. Patron Watkins

3. Committee Finance

4. Title Motor fuels tax; refund.

5. Summary/Purpose:

This legislation proposes to amend and reenact § [58.1-2259](#) of the Code of Virginia to provide a 55 percent refund of the motor fuels tax paid by any person purchasing fuel for consumption in a vehicle designed or *permanently* adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle.

6. Fiscal Impact Estimates are: Preliminary. See item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The Department of Motor Vehicles (DMV) advises that it is difficult to determine the exact fiscal impact of this legislation. The legislation will provide a 55 percent reduction in the motor fuels tax paid by persons purchasing fuel for the consumption in a vehicle designed or *permanently* adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle. DMV advises that the amendment would likely further reduce the number of vehicles to which this would apply, and as such will have only a minimal reduction in fuels tax revenues.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles

10. Technical amendment necessary: No.

11. Other comments: This bill is similar to HB1641.

Date: 01/31/05 / MEM

Document: G:\Fis\05\Dmv\Sb794e.Doc Michael McMahon

cc: Secretary of Transportation