

2006 SESSION

INTRODUCED

060839844

SENATE BILL NO. 64

Offered January 11, 2006

Prefiled January 5, 2006

A BILL to amend and reenact §§ 58.1-1720 and 58.1-1721 of the Code of Virginia, relating to the sales tax on fuels in certain transportation districts.

Patron—Whipple

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-1720 and 58.1-1721 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-1720. Sales tax on fuel in certain transportation districts.

A. There is hereby levied, in addition to all other taxes imposed on fuels subject to tax under Chapter 22 (§ 58.1-2200 et seq.) of this title, (i) in every county or city which that is a member of any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated or controlled, by an agency or a commission as defined in § 15.2-4502, or in any transportation district which is subject to § 15.2-4515 C and which is contiguous to the Northern Virginia Transportation District, a sales tax of ~~two percent~~ 4% of the retail price of such fuels sold within such county or city, and (ii) in every county or city that is a member of any transportation district that is (a) contiguous to the Northern Virginia Transportation District and (b) subject to subsection C of § 15.2-4515, a sales tax of 2% of the retail price of such fuels sold within such county or city. As used in this section "retail sale" means a sale to a consumer or to any person for any purpose other than resale.

B. The tax imposed under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under § 58.1-609.13, and the bracket system provided in such act, shall not be applicable.

§ 58.1-1721. Reduction of local taxes.

In the first full fiscal year in which the ~~tax~~ increase in the tax under § 58.1-1720 is levied pursuant to enactments of the 2006 Session of the General Assembly, the governing body of each county or city in which such tax is levied described in clause (i) of subsection A of § 58.1-1720 shall reduce the rate of its real estate tax, or its real estate and other locally levied taxes, in an amount that will reduce real estate tax revenues in the following year by an amount equal to the amount which has been or would have been allocated by the local governing body to the county or city for rail and bus services but is, as a result of the imposition of this ~~tax~~ such tax increase and the revenues therefrom, paid by the Commission. As used in this section "allocated" shall mean the amount which a local governing body has agreed to pay or agrees would be an equitable share of the costs of rail and bus service to be attributed to its jurisdiction.

The amount of the tax reduction shall be calculated by subtracting the amount collected at the reduced rates from the amount which would have been collected at the tax rates in effect for the tax year immediately prior to the year in which the rates are reduced. Such reduced rate shall not be raised during the entire tax year for which the tax rate is reduced, but may be raised subsequently.

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