

DEPARTMENT OF TAXATION

2006 Fiscal Impact Statement

1. **Patron** L. Scott Lingamfelter

3. **Committee** Senate Finance

4. **Title** Bills that Create or Increase Fees

2. **Bill Number** HB 1477

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would allow the House Finance Committee and Senate Finance Committee, before considering any revenue bill that creates or increases a fee of the Commonwealth, to have a written report from the Department of Taxation that including any or all of the following information: (i) when the fee was first established; (ii) the dates and amounts by which the fee has increased over the past 10 years; (iii) the purpose for the revenue from the fee if the purpose is established by law, and whether any amounts of such revenue have been spent for other purposes in the past 10 years; (iv) the total annual amount of revenues raised from the fee in each of the past 10 years; and (v) the estimated amount of revenues that will be generated by the proposed increase and the reason for the increase.

All agencies of the Commonwealth would be required to provide assistance as requested by the Department of Taxation to carry out the provisions of this bill.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

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

8. **Fiscal implications:**

TAX has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, TAX considers implementation of this bill as "routine," and does not require additional funding.

TAX will provide specific administrative costs on any legislation that is not "routine." Additionally, TAX will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to pass either house is unusually large, it is possible that additional resources will be required. If so, TAX will identify the costs at that time.

This bill would have no impact on General Fund revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

This bill would allow the House Finance Committee and Senate Finance Committee, before considering any revenue bill that creates or increases a fee of the Commonwealth, to have a written report from the Department of Taxation that including any or all of the following information: (i) when the fee was first established; (ii) the dates and amounts by which the fee has increased over the past 10 years; (iii) the purpose for the revenue from the fee if the purpose is established by law, and whether any amounts of such revenue have been spent for other purposes in the past 10 years; (iv) the total annual amount of revenues raised from the fee in each of the past 10 years; and (v) the estimated amount of revenues that will be generated by the proposed increase and the reason for the increase.

All agencies of the Commonwealth would be required to provide assistance as requested by the Department of Taxation to carry out the provisions of this bill.

The only fee that the Department of Taxation currently administers is the tire fee. Thus, for bills involving other fees that were referred to a Finance committee, the Department would be required to obtain extensive information regarding such fees from the affected agencies. In some cases, particularly those involving local government fees, records may not have been kept in a manner that would make this information accessible.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 02/17/2006 AMS
HB1477FE161