

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number: HB1601

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

2. Patron: Hull

3. Committee: Finance

4. Title: Motor fuel tax; rate increase.

5. Summary/Purpose: This bill would increase the tax on gasoline, diesel fuel, and alternative fuel by \$0.055 per gallon, increase the motor carrier road tax by an equivalent of \$0.055 per gallon of fuel used in the Commonwealth, and increase the alternative use fee for certain motor carriers from \$100 to \$150 (the fee is an alternative to paying the motor carrier road tax). The revenue generated is used for transportation purposes as required by existing law.

6. Fiscal impact estimates are preliminary.

Revenue/Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$286.9 million	-	NGF
2007-08	\$298.3 million	-	NGF
2008-09	\$309.2 million	-	NGF
2009-10	\$318.0 million	-	NGF
2010-11	\$320.3 million	-	NGF
2011-12	\$322.6 million	-	NGF

7. Budget amendment necessary: Yes, additional appropriation based on the distribution formula to Virginia Department of Transportation, Department of Rail and Public Transit, Department of Aviation, Virginia Port Authority, and the Department of Motor Vehicles.

8. Fiscal implications: Based on estimates provided by the Department of Taxation, this bill would lead to an increase in Commonwealth Transportation Fund revenues. The bill does not change the distribution formulas for the Transportation Trust Fund. This calculation assumes that the road tax credit is increased proportionally to the increase in excise tax on diesel fuel.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, Virginia Department of Transportation, Department of Rail and Public Transit, Department of Aviation, Virginia Port Authority.

10. Technical amendment necessary: No

11. Other comments: None.

Date: 2/2/06 /jlv

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cc: Secretary of Transportation