

DEPARTMENT OF TAXATION

2006 Fiscal Impact Statement

1. **Patron** G. Glenn Oder

2. **Bill Number** HB 522

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Tire Recycling Fee; Extension of Time

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would extend from July 1, 2006, to July 1, 2008, the \$1.00 fee imposed on the sale of each new tire. Beginning July 1, 2008, the fee would decrease to \$0.50 per tire.

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

6b. **Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2005-06	\$0	NGF
2006-07	\$2.89 million	NGF
2007-08	\$3.00 million	NGF
2008-09	\$0	NGF
2009-10	\$0	NGF
2010-11	\$0	NGF
2011-12	\$0	NGF

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

8. **Fiscal implications:**

TAX considers implementation of this bill as "routine," and does not require additional funding.

The bill is estimated to increase the Waste Tire Trust Fund by \$2.89 million in FY 2007 and \$3.00 million in FY 2008. The bill would have no impact on revenue for fiscal years 2009 through 2012.

9. **Specific agency or political subdivisions affected:**

Department of Taxation
Department of Environment Quality

10. **Technical amendment necessary:** No.

11. Other comments:

Generally

Currently, the law imposes upon every retailer of tires in Virginia a tire-recycling fee of \$1.00 for each new tire sold by such retailer. This rate is set to expire on July 1, 2006, and on that date, the fee rate will change to \$0.50 for each new tire sold by a retailer. This bill would extend the expiration date for the \$1.00 tire-recycling fee from July 1, 2006 to July 1, 2008, and change the commencement date for the imposition of the \$0.50 tire-recycling fee to July 1, 2008.

cc : Secretary of Finance

Date: 03/02/2006 KP
DLAS File Name: HB522FER161.doc