

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number HB893

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 Gear

3. Committee Appropriations

4. Title Traveling on state business; reimbursement for private vehicles.

5. Summary/Purpose: This bill provides that the rate of reimbursement when using a private vehicle for traveling on state business shall be an amount equal to the most recent business standard mileage rate as established in the Internal Revenue Code for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes. Currently, the rate is specified in the general appropriation act.

6. Fiscal Impact: The most recent business standard mileage rate as established in the Internal Revenue Code is 44.5 cents per mile. The current rate specified in the general appropriation act is 32.5 cents per mile. According to information provided by the Department of Accounts, statewide mileage reimbursement expenditures for FY2005 totaled approximately \$12.2 million (\$4.3 million from the General Fund and \$7.9 million in Nongeneral Funds). Recalculating these figures using 44.5 cents per mile rather than 32.5 cents per mile results in FY2005 expenditures increasing by approximately \$4.5 million (\$1.6 million from the General Fund and \$2.9 million in Nongeneral Funds). Assuming the total number of miles driven statewide remains consistent, statewide funding for mileage reimbursement expenditures will need to be increased by this amount.

7. Budget amendment necessary: Yes, §4-5.04f.2 to correct the rate and Item 462 to appropriate the funding necessary to cover the cost increase.

8. Fiscal implications: See Item 6.

9. Specific agency or political subdivisions affected: All state agencies reimbursing employees for using a private vehicle while traveling on state business.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/17/06 / dma

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cc: Secretary of Finance