

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB729

House of Origin Introduced Substitute X Engrossed
 Second House X In Committee Substitute Enrolled

2. Patron: Saslaw**3. Committee:** House Finance**4. Title:** Northern Virginia Transportation Authority; revenues of the Authority.

5. Summary: This revised fiscal impact statement corrects the revenue impact of this legislation. The proposed legislation would authorize the Northern Virginia Transportation Authority (the Authority) to impose a 0.50 percent retail sales and use tax in the counties and cities embraced by the Authority. The revenues therefrom are to be dedicated to the Authority. If the Authority imposes such a sales and use tax, the Authority would no longer be authorized to impose an additional fee of \$10 on safety inspections, an initial registration fee of one percent, and sales and use tax on motor vehicle repairs.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation does not impact state revenues, as the Northern Virginia Transportation Authority is a separate governmental entity. Some state agencies are involved in the collection of certain revenue streams of the Authority. The cost of collection is recovered from collected revenues; therefore there is no expenditure impact to the Commonwealth.

The proposed legislation would authorize the Authority to substitute the revenue from a sales and use tax for three other revenue sources. The following table shows the potential net revenue impact of SB 729. It is assumed that the implementation date of the sales and use tax is January 1, 2009, in order to allow for the appropriate administrative actions to be taken.

SB 729 Net Revenue Impact

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Sales and Use Tax	\$ 71.2	\$ 180.5	\$ 188.5	\$ 196.8	\$ 204.7	\$ 211.6
Auto Repairs	(\$13.8)	(\$33.2)	(\$33.2)	(\$33.2)	(\$33.2)	(\$33.2)
Vehicle Inspection Fee	(\$8.1)	(\$16.2)	(\$16.2)	(\$16.2)	(\$16.2)	(\$16.2)
First Time Vehicle Registration	(\$31.4)	(\$63.9)	(\$64.4)	(\$65.4)	(\$66.4)	(\$66.4)
Total Change	\$17.9	\$67.2	\$74.7	\$82.0	\$88.9	\$95.8

The next table shows the impact of SB 729 on the total revenues expected to be collected by the Northern Virginia Transportation Authority, and compares those revenue amounts to the amounts anticipated with the passage of HB 3202 during the 2007 Session of the General Assembly.

Northern Virginia Transportation Authority Authorized Taxes and Fees with SB 729

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Sales and Use Tax	\$ 71.2	\$ 180.5	\$ 188.5	\$ 196.8	\$ 204.7	\$ 211.6
Grantor's Tax	163.6	172.0	172.4	173.6	175.2	175.2
Motor Vehicle Rental Tax	8.6	8.8	9.0	9.2	9.5	9.5
Transient Occupancy Tax	23.2	24.1	25.2	26.2	27.3	27.3
Local Vehicle Registration Fee	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
Total	\$ 283.5	\$ 402.4	\$ 412.0	\$ 422.8	\$ 433.6	\$ 440.5
HB 3202 As Passed in 2007	324.5	335.2	337.4	340.9	344.8	344.8
Difference in Revenue	(41.0)	67.2	74.6	81.9	88.8	95.7

9. Specific Agency or Political Subdivisions Affected: Department of Taxation, Department of Motor Vehicles, Department of Transportation, the Northern Virginia Transportation Authority and the localities within the Authority.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

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cc: Secretary of Transportation