

Department of Planning and Budget
2008 Special Session II
Fiscal Impact Statement

1. Bill Number: HB6002

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

2. Patron: Cole

3. Committee:

4. Title: Sales and use tax dedicated to Transportation Trust Fund.

5. Summary: The proposed legislation would increase the amount of retail sales and use tax dedicated to the Transportation Trust Fund by one-half percent over a five year period. The Transportation Trust Fund currently receives an amount generated by one-half percent of the sales and use tax. The bill does not increase the rate of the sales and use tax, but redirects a portion of the tax which currently supports the general fund.

The bill contains an enactment clause delaying the implementation of the bill until July 1, 2009. The bill also contains an enactment clause that would delay the transfer of the increase during the five year phase-in period by one fiscal year in any fiscal year that the estimated general fund revenues for the fiscal year, minus the additional one-tenth percent transferred amount, are less than the total amount of general fund revenues in the previous fiscal year.

The Code of Virginia designates the allocation of Transportation Trust Fund revenues to the four transportation modal agencies: the Department of Aviation, the Department of Rail and Public Transportation, the Department of Transportation, and the Virginia Port Authority. The proposed legislation does not amend the distribution of the funding.

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

<i>Fiscal Year</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>
FY 2010	(\$113,500,000)	\$113,500,000
FY 2011	(\$238,200,000)	\$238,200,000
FY 2012	(\$372,700,000)	\$372,700,000
FY 2013	(\$517,700,000)	\$517,700,000
FY 2014	(\$669,800,000)	\$669,800,000

7. Budget Amendment Necessary: Yes. The reduction in general fund revenues would likely require there be significant reductions in general fund appropriations for some programs or some agencies in FY 2010.

8. Fiscal Implications: The bill would redirect general fund appropriation to the Transportation Trust Fund. The bill contains an enactment clause that would delay the

transfer in years when the estimated general fund revenues for the fiscal year, factoring in the one-tenth percent transfer, are less than the total general fund revenues in the previous fiscal year.

The additional funding in the Transportation Trust Fund would be distributed to the four transportation modal agencies. The Department of Aviation would receive 2.4 percent, the Virginia Port Authority would receive 4.2 percent, the Department of Rail and Public Transportation would receive 14.7 percent, and the Department of Transportation would receive the remaining 78.7 percent.

9. Specific Agency or Political Subdivisions Affected: All localities, agencies, and other entities that receive general fund revenues/appropriations as well as localities, mass transit properties, airports, and agencies receiving transportation revenues/appropriations.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 6/23/2008 dpb/rwh

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cc: Secretary of Transportation