

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

1. Bill Number **HB 6012**

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Putney

3. Committee House Rules

4. Title Sales and use tax increase; referendum

5. Summary/Purpose:

The proposed legislation would raise the state sales and use tax by one-half percent, from four percent to four and one-half percent, effective February 1, 2009. The additional revenue generated from the increase would be deposited in a special fund within the Transportation Trust Fund and used solely for the maintenance of state highways. The increase would be contingent upon being approved in a statewide referendum to be held on November 4, 2008.

6. Fiscal Impact:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$250,000	General

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars (millions)</i>	<i>Fund</i>
2009	\$169.6	NGF
2010	\$513.3	NGF
2011	\$538.4	NGF
2012	\$561.6	NGF
2013	\$585.2	NGF
2014	\$605.7	NGF

7. Budget amendment necessary: No. The proposed legislation has an enactment clause that appropriates \$250,000 from the general fund for the State Board of Elections to cover the expenses of conducting the statewide referendum. The Appropriation Act provides the Department of Planning and Budget the authority to increase NGF appropriations administratively if revenue collections warrant such increase.

8. Fiscal implications:

The State Board of Elections would incur expenses in order to conduct the statewide referendum proposed by the bill. To provide for these costs, the bill appropriates \$250,000 from the unappropriated general fund balance at the end of FY 2008.

If approved by the voters in the referendum, the provisions of the bill would provide additional revenues for maintaining the state's highways. Currently, maintenance costs exceed the transportation revenues dedicated to maintenance; consequently, funding that would otherwise be available for construction needs have to be diverted to maintenance. If the provisions of the proposed legislation are approved by the voters, the use of construction funds for maintenance purposes would be lessened and more construction projects could be approved and implemented.

9. Specific agency or political subdivisions affected:

Department of Transportation
State Board of Elections
Department of Accounts

10. Technical amendment necessary:

On line 283 of the bill, the word "Virginis" should be "Virginia".

11. Other comments: None.

Date: 6/25/2008 rwh

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