

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB6017

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Rust

3. Committee: House Finance

4. Title: Food and beverage tax; allows counties to impose without referendum.

5. Summary: The proposed legislation would allow counties to impose the food and beverage tax without a referendum at a rate not to exceed 4% provided the revenues raised are used solely for new transportation construction purposes.

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

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation would allow counties to impose a food and beverage tax without a referendum, if they use the proceeds only for new transportation construction. Counties currently have the authority to levy a food and beverage tax of up to four percent, but only following approval in a countywide referendum. The county must hold a public hearing before adoption. The proceeds from any imposed food and beverage tax would not impact state revenues. The additional revenue generated for transportation construction would vary by locality and depend upon the rate imposed and the amount of prepared food and beverage sold in the locality.

9. Specific Agency or Political Subdivisions Affected: All counties

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 6/24/2008 dpb/smc

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cc: Secretary of Transportation