

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

1. Bill Number: SB6015

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

2. Patron: Edwards

3. Committee: Transportation

4. Title: Revenues of the Commonwealth; transportation funding.

- 5. Summary:** Establishes the 21st Century Transportation Fund and deposits into the Fund the additional revenues from the following sources: ½ percent increase in motor vehicle sales and use tax; 5 percent tax on the wholesale price of gas; and a 1 percent increase in the motor vehicle rental tax net of the elimination of the retail sales and use tax on food for human consumption that is currently deposited into the Transportation Trust Fund. In addition, the legislation provides that the income tax credit for low-income tax payers is raised from 20 to 30 percent.

The new revenue sources will be directed to the Rail Enhancement Fund, the Shortline Railway Preservation and Development Fund, the Transportation Trust Fund (TTF), the Highway Maintenance and Operating Fund, the Northern Virginia Transportation Authority and the Hampton Roads Metropolitan Planning Organization.

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

6a. Expenditure Impact: The Department of Taxation and Department of Motor Vehicles will incur administrative costs to implement the legislation. The preliminary estimated annual impact is approximately \$2 million a year.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008-2009	\$394,100,000*	0	NGF
2009-2010	\$935,600,000*	0	NGF
2010-2011	\$933,700,000*	0	NGF

*net of revenue to 21st Century Transportation Fund less TTF revenue reduction

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008-2009	\$0	0	GF
2009-2010	(\$20,000,000)	0	GF
2010-2011	(\$20,300,000)	0	GF

7. Budget Amendment Necessary: No, the Appropriation Act gives the Department of Planning and Budget the authority to administratively increase nongeneral fund revenues, if revenue is available. Any adjustment to the general fund can be made during the next General Assembly session.

8. Fiscal Implications: See table below.

	2009	2010	2011	2012	2013	2014
1/2% increase in mv sales and use tax	\$ 39.2	\$ 96.2	\$ 97.5	\$ 101.3	\$ 106.4	\$ 106.0
1% increase in mv rental tax	3.4	8.3	8.6	8.9	9.2	9.5
5% retail gasoline tax	379.9	902.7	902.7	902.7	902.7	902.7
New Revenue Available in 21st Century Transportation Fund	\$ 422.5	\$ 1,007.2	\$ 1,008.8	\$ 1,012.9	\$ 1,018.3	\$ 1,018.2
Distribution of Revenues:						
Rail Enhancement Fund	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0
Shortline Railway Preservation & Development Fund	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0
Northern Virginia Transportation Authority (5%)	\$ 19.1	\$ 48.4	\$ 48.4	\$ 48.6	\$ 48.9	\$ 48.9
Hampton Roads MPO (5%)	\$ 19.1	\$ 48.4	\$ 48.4	\$ 48.6	\$ 48.9	\$ 48.9
Remaining Revenue	\$ 344.3	\$ 870.5	\$ 871.9	\$ 875.6	\$ 880.5	\$ 880.4
50% to HMO	\$ 172.1	\$ 435.2	\$ 436.0	\$ 437.8	\$ 440.2	\$ 440.2
50% to TTF	\$ 172.1	\$ 435.2	\$ 436.0	\$ 437.8	\$ 440.2	\$ 440.2
Eliminate sales tax on food on current 1/2% to TTF	(\$28.4)	(\$71.6)	(\$75.1)	(\$78.4)	(\$81.7)	(\$84.5)
Net TTF Additional Revenue	\$143.7	\$363.6	\$360.9	\$359.4	\$358.5	\$355.7
transit	21.1	53.5	53.0	52.8	52.7	52.3
highways	113.1	286.2	284.0	282.9	282.2	279.9
port	6.0	15.3	15.2	15.1	15.1	14.9
aviation	3.4	8.7	8.7	8.6	8.6	8.5

The reduction in general fund revenues caused by the enhanced tax credit could require reductions in general fund appropriations for some programs or some agencies in FY 2010.

9. Specific Agency or Political Subdivisions Affected: General fund supported agencies, transportation agencies, localities, and political subdivisions.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

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cc: Secretary of Transportation