

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1272

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: Vogel

3. Committee: Rules

4. Title: Tax and fee legislation; sunset dates.

5. Summary: Requires a sunset date on all bills that add new taxes or fees or increase the rate of existing taxes or fees. The sunset dates would be required for both state and local tax or fee bills.

6. No Fiscal Impact.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: There is no general fund revenue impact associated with this bill.

9. Specific Agency or Political Subdivisions Affected: All agencies that administer taxes or fees, localities, and the General Assembly.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill would mandate that any bill proposing to add any new state or local tax or fee or increase the rate of any state or local tax or fee must contain a sunset date. The General Assembly would be required to review the tax or fee during the session prior to the sunset date taking effect. Consequently, the legislature would have to re-enact every increase in tax rate or fee or new tax or fee the year before the provision would expire.

This proposal would impact the ability of both business and individual taxpayers to include future tax obligations in their financial planning, as well as the ability of forecast state revenues if major revenue sources are based on taxes that have an expiration date.

Date: 1/30/2009 tmw

Document: G:\2009 Session\Legislation\Fiscal Impact Statements\SB1272.DOC

cc: Secretary of Finance