

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB164

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

2. Patron: Edwards

3. Committee: Finance

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

- 5. Summary:** The proposed legislation would establish the 21st Century Transportation Fund and deposit into the Fund the additional revenues from the following sources: one-half percent increase in motor vehicle sales and use tax; five percent tax on the wholesale price of gas; and a one percent increase in the motor vehicle rental tax. The bill would eliminate the proceeds from 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, which currently supports the general fund.

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

6. Fiscal Impact Estimates: Preliminary.

6b. Revenue Loss:

Income tax credit for low-income tax payer

<i>Fiscal Year</i>	<i>Amount</i>	<i>Source</i>
FY 2011	\$0	GF
FY 2012	(\$104,200,000)	GF
FY 2013	(\$27,500,000)	GF
FY 2014	(\$31,000,000)	GF
FY 2015	(\$35,100,000)	GF
FY 2016	(\$39,800,000)	GF

Food sales tax elimination

<i>Fiscal Year</i>	<i>Amount</i>	<i>Source</i>
FY 2011	(\$28,700,000)	TTF
FY 2012	(\$71,100,000)	TTF
FY 2013	(\$74,000,000)	TTF
FY 2014	(\$77,300,000)	TTF
FY 2015	(\$81,000,000)	TTF
FY 2016	(\$84,700,000)	TTF

Revenue Gain:

21st Century Transportation Fund

<i>Fiscal Year</i>	<i>Motor Vehicle Sales Tax</i>	<i>Motor Vehicle Rentals</i>	<i>Wholesale Fuel Price</i>	<i>Total</i>
FY 2011	\$62,500,000	\$6,100,000	\$518,400,000	\$587,000,000
FY 2012	\$72,200,000	\$6,700,000	\$636,300,000	\$715,200,000
FY 2013	\$77,200,000	\$6,800,000	\$707,000,000	\$791,000,000
FY 2014	\$81,800,000	\$6,900,000	\$783,100,000	\$871,800,000
FY 2015	\$85,700,000	\$7,000,000	\$864,300,000	\$957,000,000
FY 2016	\$86,100,000	\$7,100,000	\$936,300,000	\$1,029,500,000

7. **Budget Amendment Necessary:** Yes. The front page will need to be amended to reflect the changes in general and nongeneral fund revenues. See Line 8.
8. **Fiscal Implications:** The bill would reduce revenue to the general fund. The bill would also reduce revenue to the Transportation Trust Fund from the food sales tax, but would deposit a greater amount from the 21st Century Transportation Fund.

The bill sets out the dispersion of the 21st Century Transportation Fund. Of the first \$41 million collected, \$36 million would be deposited in the Rail Enhancement Fund and \$5 million in the Shortline Railway Preservation and Development Fund. The remaining funding is to be divided among the Northern Virginia Transportation Authority (35 percent), the Hampton Roads Metropolitan Planning Organization (15 percent), the Transportation Trust Fund (25 percent) and the Highway Maintenance and Operating Fund (25 percent).

<i>Fiscal Year</i>	<i>Rail Enhancement Fund</i>	<i>Shortline Preservation Fund</i>	<i>Northern Virginia Transportation Authority</i>	<i>Hampton Roads MPO</i>	<i>Transportation Trust Fund</i>	<i>Highway Maintenance and Operating Fund</i>	<i>Total</i>
FY 2011	\$36,000,000	\$5,000,000	\$191,100,000	\$81,900,000	\$136,500,000	\$136,500,000	\$587,000,000
FY 2012	\$36,000,000	\$5,000,000	\$235,970,000	\$101,130,000	\$168,550,000	\$168,550,000	\$715,200,000
FY 2013	\$36,000,000	\$5,000,000	\$262,500,000	\$112,500,000	\$187,500,000	\$187,500,000	\$791,000,000
FY 2014	\$36,000,000	\$5,000,000	\$290,780,000	\$124,620,000	\$207,700,000	\$207,700,000	\$871,800,000
FY 2015	\$36,000,000	\$5,000,000	\$320,600,000	\$137,400,000	\$229,000,000	\$229,000,000	\$957,000,000
FY 2016	\$36,000,000	\$5,000,000	\$345,975,000	\$148,275,000	\$247,125,000	\$247,125,000	\$1,029,500,000

9. **Specific Agency or Political Subdivisions Affected:** Department of Transportation, Department of Taxation, Department of Motor Vehicles, general fund supported agencies
10. **Technical Amendment Necessary:** None.
11. **Other Comments:** None.

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