

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2352

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

2. Patron: Morrissey

3. Committee: Finance

4. Title: Motor fuels tax; rate increase.

5. Summary: This bill increases the motor fuels tax rate by \$0.10 per gallon and dedicates the additional revenue for the expansion or improvement of rail transportation, and construction and maintenance of roads and bridges within each county, city, and town, on a pro rata basis according to the number of gallons distributed in each locality.

6. Budget Amendment Necessary: Yes, Item 453.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	-	-	-
2012	\$32,070	-	NGF
2013	-	-	-

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	-	-
2012	\$474,800,000	Transportation Funds
2013	\$529,000,000	Transportation Funds
2014	\$537,100,000	Transportation Funds
2015	\$547,600,000	Transportation Funds
2016	\$557,700,000	Transportation Funds

8. Fiscal Implications: A one-time expenditure of \$32,070 will be incurred by the Department of Motor Vehicles (including expenses incurred by the agency's vendor) to implement the provisions of this legislation. This estimate assumes that the agency and its vendor would have to change their systems to allow for the collection and reporting of additional information regarding sales by distributors to retailers in each locality. The estimate further assumes that only those distributors who are currently required to file fuels tax returns would be subject to this reporting requirement. The agency can absorb this cost within existing resources.

The estimated revenue impact has been calculated by the Department of Taxation, and is based on fuel consumption estimates contained in the December 2010 Commonwealth Transportation Fund forecast. The revenue impact in FY 2012 represents an 11-month effect of the proposed tax changes. The legislation's impact on road tax revenues would be minimal.

The additional revenues attributable to this legislation are to be allocated proportionately to localities based on the number of gallons delivered by distributors to retailers in the locality. The Department of Taxation has indicated that data are not currently available to estimate the per-locality distribution of revenues that would result from this legislation.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/21/11

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cc: Secretary of Transportation