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**HOUSE BILL NO. 1027**

Offered January 11, 2012

Prefiled January 11, 2012

A *BILL to amend the Code of Virginia by adding in Article 8 of Chapter 38 of Title 58.1 a section numbered 58.1-3844, relating to local motor fuels sales tax authorized in certain localities.*

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 Patron—Englin
 

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 Referred to Committee on Finance
 

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**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 8 of Chapter 38 of Title 58.1 a section numbered 58.1-3844 as follows:**

*§ 58.1-3844. Tax on fuel sold in localities with a high capacity transit system.*

*A. For purposes of this section, unless the context requires a different meaning:*

*1. "Distributor" means the same as defined in § 58.1-1718.1.*

*2. "High capacity transit system" means a system that provides transit by rail or by bus using dedicated right-of-way for at least 30 percent of its route. Other characteristics commonly found in a high capacity transit system include greater passenger capacity, faster speed, more frequent service, or greater reliability than traditional, fixed route bus public transportation systems operating principally in general purpose roadways.*

*3. "Fuel" means the same as defined in § 58.1-1718.1.*

*4. "Person" means the same as defined in § 58.1-1718.1.*

*5. "Retail dealer" means the same as defined in § 58.1-1718.1.*

*B. In addition to all other taxes now imposed by law, two or more adjoining counties or cities that are constructing or operating a high speed transit system may impose a license or privilege tax upon every distributor who engages in the business of selling motor fuels at wholesale to retail dealers for retail sale in the locality. The imposition of this tax shall be by the enactment of substantially similar ordinances in each of the adjoining counties or cities. No locality may impose the tax if it is not imposed in at least one adjoining county or city. Revenues from this tax must be used by each locality for constructing or operating a high capacity transit system.*

*The tax shall be imposed at a rate of 2.1 percent of the sales price charged by a distributor for fuels sold to a retail dealer. Such tax shall be imposed at the time of the sale by the distributor to the retail dealer. The tax imposed under this article shall be paid by the distributor, but the distributor shall separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt from the retail dealer until paid and shall be recoverable at law in the same manner as other debts.*

*C. Every distributor collecting the tax imposed under this article shall file a monthly return no later than the twentieth of each month on a form prescribed by the Department, covering the sale of fuels by such distributor during the preceding month, for which tax is imposed pursuant to subsection A. The Department shall forward the proceeds from this tax to the locality where the sale by the distributor to the retail dealer occurred.*

*For purposes of compensating a distributor for accounting for and remitting the tax levied by this article, such distributor shall be allowed to deduct two percent of the tax otherwise due in submitting his return and paying the amount due by him if the amount was not delinquent at the time of payment.*

INTRODUCED

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