

Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** HB1409

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** Scott, J.M.

3. **Committee:** Finance

4. **Title:** Motor fuels tax rate

5. **Summary:** This bill converts the rate of taxation on motor fuels from cents per gallon to a percentage rate. The bill provides that the Commissioner of the Department of Motor Vehicles shall calculate the percentage rate in an amount that will most closely yield the amount of cents per gallon being charged on the applicable motor fuel prior to the effective date of the bill. Thereafter, the percentage rates would not change, but would be applied against the average price per gallon of the fuel, less federal and state taxes, as determined by the Commissioner of the Department of Motor Vehicles over rolling six-month periods, to determine the cents to be charged.

6. **Budget Amendment Necessary:** Yes, Item 447.

7. **Fiscal Impact Estimates:** Preliminary.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$21,300,000	Highway Maintenance and Operating Fund
2015	\$78,400,000	Highway Maintenance and Operating Fund
2016	\$93,200,000	Highway Maintenance and Operating Fund
2017	\$110,600,000	Highway Maintenance and Operating Fund
2018	\$123,100,000	Highway Maintenance and Operating Fund

8. **Fiscal Implications:** Revenue estimates were calculated by the Department of Taxation using the December 2012 Commonwealth Transportation Fund forecast of fuel consumption and November 2012 Energy Information Administration (EIA) Short Term and Long Term Energy Outlook for fuel price projections. The revenue estimate for FY 2014 is a five month effect. Any additional revenues generated will be deposited to the Highway Maintenance and Operating Fund.

9. **Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles; fuel consumers.

10. **Technical Amendment Necessary:** No.

11. Other Comments: Currently, the Code specifies exactly how the \$0.175 collected per gallon is to be distributed: \$0.1485 is allocated to the Highway Maintenance and Operating Fund, \$0.025 is allocated to the Transportation Trust Fund, and \$0.0015 is allocated to the Department of Motor Vehicles Special Fund. The bill does not address how funds from the proposed percentage rate will be allocated.

Date: 1/10/13

Document: Janet Vogelgesang G:\12-14\2013\FIS\HB1409.docx

c: Secretary of Transportation