

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** SB1067

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

**2. Patron:** Carrico

**3. Committee:** Finance

**4. Title:** Taxation of all-terrain vehicles

**5. Summary:** This bill exempts all-terrain vehicles from retail sales and use tax and applies a five percent motor vehicle sales and use tax.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:** By applying a five percent motor vehicle sales and use tax to all-terrain vehicles in lieu of the five percent general retail sales and use tax, all of the revenue generated will be directed to transportation. Using the total number of all-terrain vehicles titled in FY 2011 (6,417) and assuming an average sales price of \$8,000, the total impact would be a shift of approximately \$2,566,800 annually from the distribution of retail sales and use taxes to the Highway Maintenance and Operating Fund (HMOF).

Currently, the five percent sales and use tax is directed to the general fund, the Transportation Trust Fund (TTF), localities, and the HMOF, in line with the Governor's introduced budget which directs 0.005 percent to maintenance activities in FY 2014. The loss by the current distribution of \$2,566,800 in retail sales and use tax would occur as follows:

<b>Fund</b>	<b>Amount</b>
General fund, unrestricted	(\$1,252,598)
General fund, restricted (SOQ)	(\$508,226)
Transportation Trust Fund	(\$256,680)
Localities	(\$513,360)
Highway Maintenance and Operating Fund	(\$25,668)

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, local school districts, localities, Department of Transportation.

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

**11. Other Comments:** None.

**Date:** 1/21/13

**Document:** Janet Vogelgesang G:\12-14\2013\FIS\SB1067.docx

c: Secretary of Transportation