

## Department of Planning and Budget

### 2014 Fiscal Impact Statement

1. **Bill Number:** HB148

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

2. **Patron:** Minchew

3. **Committee:** Finance

4. **Title:** Motor vehicle sales and use tax; sale price.

5. **Summary:** This bill reduces the sale price by the value of any trade-in, in determining the amount of motor vehicle sales and use tax owed.

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

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

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	(\$115,100,000)	Commonwealth Transportation Fund
2016	(\$129,700,000)	Commonwealth Transportation Fund
2017	(\$133,000,000)	Commonwealth Transportation Fund
2018	(\$132,900,000)	Commonwealth Transportation Fund
2019	(\$132,100,000)	Commonwealth Transportation Fund
2020	(\$132,000,000)	Commonwealth Transportation Fund

8. **Fiscal Implications:** According to estimates prepared by the Department of Taxation, the proposed legislation would reduce Commonwealth Transportation Fund revenues by an average of approximately \$132 million per year. The forecast for FY 2015 reflects an 11-month effect of the legislation.

The Department of Taxation estimate assumed that 60% of vehicle sales will involve a trade-in, and that trade-in allowances represent 15% of total taxable sales of all new and used vehicles combined.

9. **Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Department of Transportation, vehicle buyers and sellers.

10. **Technical Amendment Necessary:** No

11. **Other Comments:** This bill is similar to HB 65.

**Date:** 1/14/14

**Document:** Janet Vogelgesang G:\14-16\2014 FIS\HB148.docx

c: Secretary of Transportation