

REVISED
State Corporation Commission
2017 Fiscal Impact Statement

1. Bill Number: SB1025

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

2. Patron: Dunnavant

3. Committee: Finance

4. Title: Payment of estimated taxes by certain public service corporations; repeal.

5. Summary: Payment of estimated taxes by certain public service corporations; repeal.
Repeals provisions requiring that certain public service corporations make payments of estimated state license taxes to the State Corporation Commission. The bill has a delayed effective date of January 1, 2019.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: See Item 8. The state would continue to receive the same amount of revenue to the general fund; however \$1.2 million in estimated revenue will be deferred from Fiscal Year 2019 to Fiscal Year 2020.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017		
2018		
2019	(\$1,200,000)	GF (01000)
2020		
2021		
2022		
2023		

8. Fiscal Implications: There would be no fiscal impact on the current biennial budget due to the bill's delayed effective date of January 1, 2019. The state would continue to receive the same amount of revenue to the general fund; however \$1.2 million in estimated revenue will be deferred from Fiscal Year 2019 to Fiscal Year 2020. Beginning with the 2020 Fiscal Year and each fiscal year thereafter, a one-time license tax payment would be received on June 1st of each fiscal year from all water companies regardless of their tax liability.

9. Specific Agency or Political Subdivisions Affected: None

10. Technical Amendment Necessary: No

11. Other Comments: This bill, which repeals Article 4 of Chapter 26 of Title 58.1 of the Code of Virginia, would no longer require water companies with a tax liability exceeding \$5,000 to pay estimated taxes during the taxable year. Those taxes would be paid on June 1st of the tax year in one lump sum payment as all water companies currently pay with a tax liability of \$5,000 or less during any given tax year. As a result of previous legislation, the electric, gas, and telecommunications companies no longer pay a license tax or estimated tax payments. The water companies are the only industry remaining pursuant to Article 4 of Chapter 26 of Title 58.1 of the Code that are subject to a license tax and estimated tax payments.

Senator Dunnavant introduced this bill at the request of the SCC.

BT 1/17/16