

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1092

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

**2. Patron:** Petersen

**3. Committee:** Finance

**4. Title:** Motor vehicle fuels sales tax in certain transportation districts; price floor.

**5. Summary:** This bill establishes a floor on the 2.1 percent tax imposed on motor vehicle fuels sold in Northern Virginia by requiring that the average sales price upon which the tax is based be no less than the statewide average sales price on July 1, 2013.

**6. Budget Amendment Necessary:** Yes, Item 456. An appropriation adjustment should be reflected in service area 60706, Distribution of Northern Virginia Transportation Authority Fund Revenues.

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

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	-	-
2018	26,500,000	Northern Virginia*
2019	37,300,000	Northern Virginia
2020	36,700,000	Northern Virginia
2021	36,200,000	Northern Virginia
2022	35,400,000	Northern Virginia

*\* Northern Virginia Transportation District; Potomac and Rappahannock Transportation Commission*

**8. Fiscal Implications:** The revenue impact estimate for FY 2018 reflects a 10-month effect. The additional funding would be remitted to the region through the existing process.

This bill will impose the Motor Vehicle Fuels Sales Tax in the Northern Virginia Transportation District on the statewide average wholesale price charged at the terminal rack. The tax is currently imposed on the sales price charged by the distributor for fuels sold to the retailer. The bill establishes a price floor at the statewide average sales price per gallon on July 11, 2013.

The Department of Motor Vehicles (DMV) estimates that it will need to expend between \$55,000 and \$60,000 in FY 2017 for its vendor to make the systems changes required to implement the provisions of this legislation. These costs can be absorbed within existing resources. The Department estimates that the agency staff hours required for implementation

could be accomplished during the normal work schedules for DMV employees, given current workloads.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Department of Transportation, localities in the Northern Virginia Transportation District.

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

**11. Other Comments:** None.

**Date:** 1/20/2017

**Document:** Janet Vogelgesang G:\16-18\FIS 2017\SB1092.docx

cc: Secretary of Transportation