

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB699

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

2. Patron: Levine

3. Committee: Rules

4. Title: Motor vehicle fuels sales tax in certain transportation districts

5. Summary: This bill provides that the tax that is imposed on the sales price of motor fuel in Northern Virginia shall be imposed on the regional price of gas, defined and computed as a six-month average price of fuel. The tax shall not be imposed on a regional price that is less than the statewide average wholesale price of a gallon of gasoline and/or diesel fuel (as the case may be) on February 20, 2013, nor shall it be imposed a price that is more than \$4 per gallon. The bill also raises the rate of taxation of motor fuel in Northern Virginia from 2.1 percent to 3 percent. The bill also changes the regional gas tax in Hampton Roads from a percentage to a cents-per-gallon tax that decreases as the price of gas increases. The regional gas tax in Hampton Roads would have a floor of \$0.05 per gallon and ceiling of \$0.14 per gallon and would be determined on the basis of the average wholesale price of unleaded regular gasoline.

6. Budget Amendment Necessary: Yes. Item 453, service area 60707 for Hampton Roads.

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

7b. Revenue Impact

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>	<i>Dollars</i>	<i>Fund</i>
2019	\$67,800,000	NVTC & PRTC*	\$58,800,000	Hampton Roads
2020	\$70,100,000	NVTC & PRTC	\$62,900,000	Hampton Roads
2021	\$67,900,000	NVTC & PRTC	\$62,400,000	Hampton Roads
2022	\$66,000,000	NVTC & PRTC	\$61,600,000	Hampton Roads
2023	\$64,000,000	NVTC & PRTC	\$61,000,000	Hampton Roads
2024	\$63,900,000	NVTC & PRTC	\$61,100,000	Hampton Roads

* Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission

8. Fiscal Implications: The estimate for Hampton Roads assumes that fuel is taxed at the \$0.14/gallon rate. The revenue impact for FY 2019 reflects 11 months of revenue. Taxpayers are required to pay the tax on the 20th day of the second month following the month in which the activity occurred, but must file and pay both April and May taxes in June. The additional funding would be remitted to the transportation commissions using the existing processes.

Pursuant to Va. Code § 58.1-2299.20, the Department of Motor Vehicles will recover the direct costs of administration of the Motor Vehicle Fuels Sales Tax from the transportation commissions.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Department of Transportation, Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission, Hampton Roads Transportation Accountability Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/18/2018

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c: Secretary of Transportation