

LD4776297

**HOUSE JOINT RESOLUTION NO. 160**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by the House Committee on Rules  
on February 9, 1994)  
(Patron Prior to Substitute—Delegate Hull)

*Establishing a joint subcommittee to examine local revenue resources and the local taxation of cellular telephone services.*

WHEREAS, fiscal pressures are being experienced by all levels of government, but none are more severe than those of local governments; and

WHEREAS, the fiscal pressure at the local level results from federal and state mandates as well as from the various limitations and conditions which are imposed on local tax and fee sources and tax rates; and

WHEREAS, the economy of Virginia is changing and, as a result, the tax structure needs to be examined periodically to ensure that the local tax structure is efficient, promotes equity, and serves the needs of local governments as well as its citizens; and

WHEREAS, consumers of traditional telecommunication services may be subject to local utility taxes, and telecommunications technology, particularly with respect to mobile or cellular telephone services, has rapidly advanced in recent times; and

WHEREAS, consumers of such mobile or cellular telephone services are not subject to local taxation under the current law, as it was enacted far before the advent of such services; and

WHEREAS, there is concern among localities regarding the application of local utility taxes on various telecommunications services; and

WHEREAS, from 1968 through 1980 the Revenue Resources and Economic Commission examined both the state and local tax structures and recommended changes to improve both the equity and efficiency of the tax structures; and

WHEREAS, the state and local tax structures have not been thoroughly examined since that time, and Virginia's economy is undergoing tremendous changes and these changes will likely accelerate; and

WHEREAS, these changes will affect our tax structure and impact local governments; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study local revenue resources and the local taxation of cellular telephone services.

The joint subcommittee shall be composed of nine members as follows: five members of the House of Delegates to be appointed by the Speaker of the House, and four members of the Senate to be appointed by the Senate Committee on Privileges and Elections.

The joint subcommittee shall (i) identify and examine all local taxes and fees, (ii) review the equity of each such tax and fee assessed, and report which are the most efficient and least burdensome, (iii) determine the changes need in the tax structure relative to Virginia's changing economy, (iv) determine which localities tax cellular telephone services, inventory and compare such tax rates, and evaluate the efficacy and impact of the application of such policies, and (v) recommend possible alternatives for replacement or consolidation of local revenue taxes.

The direct costs of this study shall not exceed \$6,750.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Department of Taxation and the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.