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SENATE BILL NO. 476

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 11, 2000)

(Patron Prior to Substitute—Senator Howell)

A BILL to amend and reenact §§ 58.1-1720 and 58.1-1721 of the Code of Virginia, relating to motor vehicle fuels sales tax in certain planning districts.

Be it enacted by the General Assembly of Virginia:**1. That §§ 58.1-1720 and 58.1-1721 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-1720. Sales tax on fuel in certain transportation and planning districts.

A. There is hereby levied, in addition to all other taxes imposed on fuels subject to tax under Chapter 21 (§ 58.1-2100 et seq.) of this title, in every county or city which is a member of any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated or controlled, by an agency or a commission as defined in §15.1-1344 15.2-4502, or in any transportation district which is subject to subsection C in §15.1-1357 (b) (6) 15.2-4515 and which is contiguous to the Northern Virginia Transportation District, a sales tax of two percent of the retail price of such fuels sold within such county or city. As used in this section, "retail sale" means a sale to a consumer or to any person for any purpose other than resale.

B. In addition to the tax imposed under subsection A and all other taxes imposed on fuels subject to tax under Chapter 21 (§ 58.1-2100 et seq.), there is hereby levied an additional sales tax of five percent of the retail price of motor fuels sold within the localities making up the Eighth Planning District, as established pursuant to § 15.2-4203, if approved by a majority of those voting in a referendum in those localities making up the Eighth Planning District. The referendum shall be held in the Eighth Planning District on November 7, 2000. The clerks of the affected circuit courts shall publish notice of the election in a newspaper or newspapers of general circulation within the planning district once a week for three consecutive weeks prior to the election. The ballots shall be prepared, distributed and voted, and the results of the election shall be ascertained and certified, in the manner prescribed by § 24.2-684. The ballot used shall be printed to read as follows:

"Shall an additional sales tax of five percent of the retail price of motor fuels sold be levied in the Eighth Planning District, made up of the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, to be used for highway and transit improvements in the Interstate 66, Interstate 95, and Dulles Corridors, and for the payment of principal and interest on bonds, debts or other obligations incurred to make such improvements."

[] Yes

[] No

If the voters within the Eighth Planning District by majority vote approve, such five percent additional sales tax shall be imposed in the localities making up the Eighth Planning District. All taxes paid to the Commissioner pursuant to this subsection shall be deposited in a special fund titled the "Special Fund Account for the Eighth Planning District." The amounts held in the fund shall be appropriated to individual transportation projects by the Commonwealth Transportation Board only upon the recommendation of the Northern Virginia Transportation Coordinating Council.

B.C. The ~~tax~~ taxes imposed under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under § 58.1-609.13, and the bracket system provided in such act, shall not be applicable.

§ 58.1-1721. Reduction of local taxes.

In the first full fiscal year in which the tax is levied, the governing body of each county or city in which such tax is levied shall reduce the rate of its real estate tax, or its real estate and other locally levied taxes, in an amount that will reduce tax revenues in the following year by an amount equal to the amount which has been or would have been allocated by the local governing body to the county or city for rail and bus services but is, as a result of the imposition of this tax, paid by the Commission. As used in this section, "allocated" ~~shall mean~~ means the amount which a local governing body has agreed to pay or agrees would be an equitable share of the costs of rail and bus service to be attributed to its jurisdiction.

The amount of the tax reduction shall be calculated by subtracting the amount collected at the reduced rates from the amount which would have been collected at the tax rates in effect for the tax year immediately prior to the year in which the rates are reduced. Such reduced rate shall not be raised during the entire tax year for which the tax rate is reduced, but may be raised subsequently.

60 *The provisions of this section shall not apply to any additional motor fuels sales tax imposed in*
61 *accordance with subsection B of § 58.1-1720.*