

Department of Planning and Budget
2002 Fiscal Impact Statement

1. Bill Number HB347

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

2. Patron Wright

3. Committee House Finance

4. Title Motor fuel tax; exemption for volunteer rescue squads.

5. Summary/Purpose:

This legislation proposes to amend §58.1 -2226 of the Code of Virginia, to exempt from taxation the motor fuel used to operate or propel the equipment used by volunteer rescue squads for rescue purposes.

6. Fiscal Impact Estimates are preliminary: See item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal implications of this bill are uncertain. Under the old fuel tax collection method, volunteer rescue squads did not pay the tax. Under the new tax at the rack, these rescue squads currently pay the fuel tax then request refunds for the fuel tax paid. This bill will result in a simpler process for the Department of Motor Vehicles (DMV) and the volunteer rescue squads. This bill will eliminate refund requests, potentially creating a savings to DMV operations. These savings are expected to be minimal. At the same time, the state may receive less tax revenue as it is likely some squads were not requesting refunds. Again, the potential loss in revenue should be minimal.

9. Specific agency or political subdivisions affected : The Department of Motor Vehicles and local volunteer rescue squads

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 01/30/02/MEM

Document: G:\Fis\02\Dmv\Hb347.Doc Michael McMahon

cc: Secretary of Transportation