

2004 SPECIAL SESSION I

INTRODUCED

042647448

HOUSE BILL NO. 5015

Offered April 5, 2004

A BILL to amend and reenact §§ 58.1-603, 58.1-604, 58.1-611.1, 58.1-627, 58.1-628 and 58.1-638 of the Code of Virginia, relating to increasing the sales and use tax for education.

Patron—Orrock

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-603, 58.1-604, 58.1-611.1, 58.1-627, 58.1-628 and 58.1-638 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-603. Imposition of sales tax.

There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who engages in the business of selling at retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of the things or services taxable under this chapter, or who stores for use or consumption in this Commonwealth any item or article of tangible personal property as defined in this chapter, or who leases or rents such property within this Commonwealth, in the amount of ~~three and one-half~~ four percent:

1. Of the gross sales price of each item or article of tangible personal property when sold at retail or distributed in this Commonwealth.

2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or rental of such property is an established business, or part of an established business, or the same is incidental or germane to such business.

3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for use or consumption in this Commonwealth.

4. Of the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

5. Of the gross sales of any services ~~which~~ that are expressly stated as taxable within this chapter.

§ 58.1-604. Imposition of use tax.

There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount of ~~three and one-half~~ four percent:

1. Of the cost price of each item or article of tangible personal property used or consumed in this Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this Commonwealth for use within six months of its acquisition; but if so brought within this Commonwealth six months or more after its acquisition, such property shall be taxed on the basis of the current market value (but not in excess of its cost price) of such property at the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the cost price or current market value as the duration of time of use within this Commonwealth bears to the total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

2. Of the cost price of each item or article of tangible personal property stored outside this Commonwealth for use or consumption in this Commonwealth.

3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under either section.

4. The use tax shall not apply with respect to the use of any article of tangible personal property brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use, while within this Commonwealth.

5. The use tax shall not apply to out-of-state mail order catalog purchases totaling \$100 or less during any calendar year.

§ 58.1-611.1. Rate of tax on sales of food purchased for human consumption; Food Tax Reduction Program.

A. Subject to the conditions of subsections D and E, the tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption shall be levied and distributed as follows:

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59 1. From January 1, 2000, through March 31, 2001, the tax rate on such food shall be three percent
 60 of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from
 61 the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii)
 62 the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C
 63 and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one and one-half percent shall be
 64 used for general fund purposes.

65 2. From April 1, 2001, through March 31, 2002, the tax rate on such food shall be two and one-half
 66 percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue
 67 from the tax at the rate of one-half percent shall be distributed as provided in subsection A of
 68 § 58.1-638, (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in
 69 subsections B, C and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one percent shall
 70 be used for general fund purposes.

71 3. From April 1, 2002, through March 31, 2003, the tax rate on such food shall be two percent of
 72 the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the
 73 tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii) the
 74 revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and
 75 D of § 58.1-638, and (iii) the revenue from the tax at the rate of one-half percent shall be used for
 76 general fund purposes.

77 4. On and after April 1, 2003, the tax rate on such food shall be one and one-half percent of the
 78 gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax
 79 at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the
 80 revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and
 81 D of § 58.1-638.

82 B. The provisions of this section shall not affect the imposition of tax on food purchased for human
 83 consumption pursuant to §§ 58.1-605 and 58.1-606.

84 C. As used in this section, "food purchased for human consumption" has the same meaning as "food"
 85 defined in the Food Stamp Act of 1977, 7 U.S.C. § 1012, as amended, and federal regulations adopted
 86 pursuant to that Act, except it shall not include seeds and plants which produce food for human
 87 consumption. For the purpose of this section, "food purchased for human consumption" shall not include
 88 food sold by any retail establishment where the gross receipts derived from the sale of food prepared by
 89 such retail establishment for immediate consumption on or off the premises of the retail establishment
 90 constitutes more than 80 percent of the total gross receipts of that retail establishment, including but not
 91 limited to motor fuel purchases, regardless of whether such prepared food is consumed on the premises
 92 of that retail establishment. For purposes of this section, "retail establishment" means each place of
 93 business for which any "dealer," as defined in § 58.1-612, is required to apply for and receive a
 94 certificate of registration pursuant to § 58.1-613.

95 D. Notwithstanding the tax rates set forth in subsection A, the rate of tax on sales of food purchased
 96 for human consumption for any 12-month period beginning on or after April 1, 2001, shall not be
 97 reduced below the rate then in effect for the Commonwealth's current fiscal year if:

98 1. Actual general fund revenues for the fiscal year preceding a fiscal year in which a rate reduction
 99 is contemplated in subsection A do not exceed the official general fund revenue estimates for such
 100 preceding fiscal year, as estimated in the most recently enacted and approved general appropriation act,
 101 by at least one percent; or 2. Any of the events listed in subsection C of § 58.1-3524 or subsection B of
 102 § 58.1-3536 have occurred during the then current fiscal year.

103 E. If the tax rate on food purchased for human consumption remains the same for the period January 1,
 104 2000, through March 31, 2001, and the subsequent 12-month period beginning on April 1, 2001, or with
 105 respect to any consecutive 12-month periods beginning on and after April 1, 2001, the tax rate on such
 106 food shall remain the same unless none of the conditions described in subsection D have occurred, in
 107 which event the tax rate on food purchased for human consumption for the immediately following
 108 12-month period shall be equal to the next lowest tax rate listed in subsection A.

109 F. The additional one-half percent increase in the taxes imposed pursuant to §§ 58.1-603 and
 110 58.1-604 effective July 1, 2004, shall not apply to food purchased for human consumption.

111 § 58.1-627. Bracket system for tax at rate of four percent.

112 The following Tax Commissioner shall develop brackets of prices that shall be used for the collection
 113 of the tax imposed by this chapter : on sales of less than five dollars.

115	\$0.00	to	\$0.14	no tax
116	.15	to	.42	1» tax
117	.43	to	.71	2» tax
118	.72	to	.99	3» tax
119	1.00	to	1.28	4» tax

120	1.29	to	1.57	5» tax
121	1.58	to	1.85	6» tax
122	1.86	to	2.14	7» tax
123	2.15	to	2.42	8» tax
124	2.43	to	2.71	9» tax
125	2.72	to	2.99	10» tax
126	3.00	to	3.28	11» tax
127	3.29	to	3.57	12» tax
128	3.58	to	3.85	13» tax
129	3.86	to	4.14	14» tax
130	4.15	to	4.42	15» tax
131	4.43	to	4.71	16» tax
132	4.72	to	5.00	17» tax

On transactions ~~over five dollars~~ *greater than five dollars*, the tax shall be computed at ~~three and one-half four~~ percent, one-half cent or more being treated as one cent. If a dealer can show to the satisfaction of the Tax Commissioner that more than ~~eighty-five~~ 85 percent of the total dollar volume of his gross taxable sales during the taxable month was from individual sales at prices of ~~ten~~ 10 cents or less each, and that he was unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at prices of ~~eleven~~ 11 cents or more.

§ 58.1-628. Bracket system for combined state and local tax.

The ~~following~~ *Tax Commissioner shall prepare* brackets of prices *that* shall be used for the collection of the combined state and local tax *÷ on sales less than five dollars.*

145	\$0.00	to	\$0.11	no tax
146	.12	to	.33	1» tax
147	.34	to	.55	2» tax
148	.56	to	.77	3» tax
149	.78	to	.99	4» tax
150	1.00	to	1.22	5» tax
151	1.23	to	1.44	6» tax
152	1.45	to	1.66	7» tax
153	1.67	to	1.88	8» tax
154	1.89	to	2.11	9» tax
155	2.12	to	2.33	10» tax
156	2.34	to	2.55	11» tax
157	2.56	to	2.77	12» tax
158	2.78	to	2.99	13» tax
159	3.00	to	3.22	14» tax
160	3.23	to	3.44	15» tax
161	3.45	to	3.66	16» tax
162	3.67	to	3.88	17» tax
163	3.89	to	4.11	18» tax
164	4.12	to	4.33	19» tax
165	4.34	to	4.55	20» tax
166	4.56	to	4.77	21» tax
167	4.78	to	5.00	22» tax

On transactions ~~over five dollars~~ *greater than five dollars*, the tax shall be computed at ~~four and one-half five~~ percent, one-half cent or more being treated as one cent. The ~~foregoing~~ bracket system shall not relieve the dealer from the duty and liability to remit an amount equal to ~~four and one-half five~~ percent of his gross taxable sales as provided in this chapter. If the dealer, however, can show to the satisfaction of the Tax Commissioner that more than ~~eighty-five~~ 85 percent of the total dollar volume of his gross taxable sales during the taxable month was from individual sales at prices of ~~ten~~ 10 cents or less each and that he was unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at

178 prices of ~~eleven~~ 11 cents or more.

179 § 58.1-638. Disposition of state sales and use tax revenue; Transportation Trust Fund; localities'
180 share; Game Protection Fund.

181 A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax
182 revenue collected under the preceding sections of this chapter.

183 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted
184 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided
185 in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the
186 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port
187 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth
188 Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and
189 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass
190 Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an
191 estimate of the net revenue to be received into the state treasury each month, and such estimated
192 payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall
193 be made to the Fund on the last day of each month.

194 2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
195 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

196 a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds
197 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in
198 the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be
199 paid to any authority, locality or commission for the purposes hereinafter specified.

200 b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth
201 Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to
202 support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary
203 ports within the Commonwealth.

204 c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the
205 Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the
206 ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

207 3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
208 be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund.
209 The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds
210 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in
211 the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be
212 allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall
213 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the
214 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access
215 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington
216 Airports Authority (MWAA), as follows:

217 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation
218 Board from the Commonwealth Transportation Fund, shall be allocated as follows: sixty percent to
219 MWAA, up to a maximum annual amount of ~~two~~\$2 million ~~dollars~~, and ~~forty~~40 percent to air carrier
220 airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers,
221 no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A
222 3 a than it received in fiscal year 1994-1995.

223 Of the remaining amount:

224 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased
225 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air
226 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,
227 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

228 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever
229 airports on a discretionary basis, except airports owned or leased by MWAA.

230 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports
231 on a discretionary basis.

232 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
233 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass
234 Transit Fund.

235 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
236 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
237 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be
238 paid to any local governing body, transportation district commission, or public service corporation for
239 the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be used to support the public transportation administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and maintenance parts and supplies for public transportation at a state share of ~~eighty~~ 80 percent in 2002 and ~~ninety-five~~ 95 percent in 2003 and succeeding years. These amounts may be used to support up to ~~ninety-five~~ 95 percent of the local or nonfederal share of capital project costs for public transportation and ridesharing equipment, facilities, and associated costs. Capital costs may include debt service payments on local or agency transit bonds. The term "borne by the locality" means the local share eligible for state assistance consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance received by the locality.

c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth Transportation Board as follows:

(1) Funds for special programs, which shall include ridesharing, experimental transit, and technical assistance, shall not exceed 1.5 percent of the Fund.

(2) The Board may allocate these funds to any locality or planning district commission to finance up to eighty percent of the local share of all costs associated with the development, implementation, and continuation of ridesharing programs.

(3) Funds allocated for experimental transit projects may be paid to any local governing body, transportation district commission, or public corporation or may be used directly by the Department of Rail and Public Transportation for the following purposes:

(a) To finance up to ~~ninety-five~~ 95 percent of the capital costs related to the development, implementation and promotion of experimental public transportation and ridesharing projects approved by the Board.

(b) To finance up to ~~ninety-five~~ 95 percent of the operating costs of experimental mass transportation and ridesharing projects approved by the Board for a period of time not to exceed ~~twelve~~ 12 months.

(c) To finance up to ~~ninety-five~~ 95 percent of the cost of the development and implementation of any other project designated by the Board where the purpose of such project is to enhance the provision and use of public transportation services.

d. Funds allocated for public transportation promotion and operation studies may be paid to any local governing body, planning district commission, transportation district commission, or public transit corporation, or may be used directly by the Department of Rail and Public Transportation for the following purposes and aid of public transportation services:

(1) At the approval of the Board to finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout Virginia.

(2) To finance up to ~~fifty~~ 50 percent of the local share of public transportation operations planning and technical study projects approved by the Board.

e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for the purposes specified in subdivision 4 b.

f. The remaining ~~twenty-five~~ 25 percent shall be distributed for capital purposes on the basis of ~~ninety-five~~ 95 percent of the nonfederal share for federal projects and ~~ninety-five~~ 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit

301 Capital Fund shall receive local, regional or private funding for at least ~~twenty~~20 percent of the
302 nonfederal share of the total project cost.

303 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the
304 Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of
305 Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

306 a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality
307 using WMATA's capital formula shall be paid first by NVTC. NVTC shall use ~~ninety-five~~95 percent
308 state aid for these payments.

309 b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the
310 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall
311 include ~~twenty~~ 20 percent of annual local bus capital expenses. Hold harmless protections and
312 obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

313 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and
314 reliable source of revenue as defined by Public Law 96-184.

315 B. The sales and use tax revenue generated by a one *and one-half* percent sales and use tax shall be
316 distributed among the counties and cities of this Commonwealth in the manner provided in subsections
317 C and D.

318 C. The localities' share of the net revenue distributable under this section among the counties and
319 cities shall be apportioned by the Comptroller and distributed among them by warrants of the
320 Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month
321 during which the net revenue was received into the state treasury. The distribution of the localities' share
322 of such net revenue shall be computed with respect to the net revenue received into the state treasury
323 during each month, and such distribution shall be made as soon as practicable after the close of each
324 such month.

325 D. The net revenue so distributable among the counties and cities shall be apportioned and
326 distributed upon the basis as certified to the Comptroller by the Department of Education, of the number
327 of children in each county and city according to the most recent statewide census of school population
328 taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter
329 provided. No special school population census, other than a statewide census, shall be used as the basis
330 of apportionment and distribution except that in any calendar year in which a statewide census is not
331 reported, the Department of Education shall adjust such school population figures by the same percent of
332 annual change in total population estimated for each locality by The Center for Public Service. The
333 revenue so apportionable and distributable is hereby appropriated to the several counties and cities for
334 maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the
335 operation of the public schools, which shall be considered as funds raised from local resources. In any
336 county, however, wherein is situated any incorporated town constituting a school division, the county
337 treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest
338 payments, or other expenses incurred in the operation of the public schools, the proper proportionate
339 amount received by him in the ratio that the school population of such town bears to the school
340 population of the entire county. If the school population of any city or of any town constituting a school
341 division is increased by the annexation of territory since the last preceding school population census,
342 such increase shall, for the purposes of this section, be added to the school population of such city or
343 town as shown by the last such census and a proper reduction made in the school population of the
344 county or counties from which the annexed territory was acquired.

345 E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a
346 two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of
347 hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment,
348 wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the
349 most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of
350 Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated
351 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,
352 in part, to defray the cost of law enforcement. Not later than thirty days after the close of each quarter,
353 the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be
354 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established
355 under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues
356 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess
357 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board
358 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the
359 balance in the Capital Improvement Fund is less than \$35 million.

360 F. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be
361 corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

362 G. The term "net revenue," as used in this section, means the gross revenue received into the general

363 fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter,
364 less refunds to taxpayers.